

## GENERAL FUND REVENUE

### INTRODUCTION

The Revenue discussion compares three years of change. In every instance, the change is from the prior year amount. (Proposed FY2004 is compared to Budget FY2003)

REAL PROPERTY TAXES (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 359,439	\$ 369,766	\$ 373,457	\$ 385,006
\$ CHANGE	12,278	10,327	14,018	15,241
% CHANGE	3.5%	2.9%	3.9%	4.1%

**REAL PROPERTY TAXES** are the taxes levied on both land and improvements of taxable real estate property. Taxes are levied annually, and each quarter of the fiscal year as new properties are added to the base. The General Fund real property tax rate could not exceed \$2.40 per \$100 of assessable value before FY2002, and cannot exceed \$0.96 per \$100 of assessable value since FY2002, when assessable value of real property was adjusted from 40% to 100% of market value as required by State law. In FY2004, County Real Property Tax rate will remain unchanged at \$0.96 per \$100 of assessable value. The revenue yield from property taxes is dependent on the following variables:

- The State's triennial assessment process
- Assessment growth caps
- The assessment percentage
- The housing market and the economy in general
- The tax rate - including changes in the Municipal Tax Differential rates
- Delinquencies and the required reserves
- Appeals and adjustments in assessments
- State funding of State credits

The real property base of the County continues to show a strong growth, driven by new construction and reassessment. Each year, one third of the County's real property base is reassessed by the State Department of Assessment and Taxation (SDAT) and the reassessed value will be phased-in over the next three years. In FY2004, the reassessment (of one third of the base) is projected to increase by 5.5% (before the assessment growth cap is calculated) for each of the next three years. In FY2003, the reassessment (before cap) showed an annual increase of 4.6%.

However, the County's real property tax revenue capacity can not be fully realized due to the structure of the County's Homestead Tax Credit. The credit, tied to the Consumer Price Index growth for the 12 month ending June, caps the growth of owner-occupied property assessment in the County for purposes of taxation at only 1% in FY2004. According to the SDAT, this tax credit is estimated to cause a County revenue loss of approximately \$9.6 million in FY2004. Real Property Tax revenue in FY2004 is projected to grow by 4.1% from FY2003 budget.

PERSONAL PROPERTY TAXES (\$ in thousands)					
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED	
YIELD	\$ 68,179	\$ 70,189	\$ 68,520	\$ 67,712	
\$ CHANGE	525	2,010	341	(2,477)	
% CHANGE	0.8%	2.9%	0.5%	-3.5%	

**PERSONAL PROPERTY TAXES** are the taxes levied on tangible personal property and commercial and manufacturing inventory of businesses. The assessment is made annually at fair market value and determined from annual reports filed with the State Department of Assessments and Taxation. Starting from FY2001, power-generating personal property has been subject to a phased-in partial assessment due to the State's electricity deregulation, which has resulted in a loss of potential revenues from Personal Property Taxes. In FY2004, Personal Property Tax is projected to decrease mainly due to the impact of the economic downturn on the utility industry.

The Personal Property Tax rate remains unchanged at \$2.40 per \$100 of assessed value. This tax base is influenced by:

- The business cycle
- Availability of commercial credit
- Public utilities' income performance
- Replacement of equipment
- The State law on personal property assessment and depreciation

INCOME TAXES (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 326,660	\$ 339,802	\$ 339,559	\$ 343,715
\$ CHANGE	7,696	13,142	12,899	3,913
% CHANGE	2.4%	4.0%	3.9%	1.2%

**INDIVIDUAL INCOME TAXES** are distributions made by the Maryland Comptroller's office for the local tax on individual income. The County currently levies a rate of 3.10% of Maryland personal income. The FY2004 County Income Tax revenue assumes a tax rate increase to 3.20% starting from Jan. 1, 2004. The tax increase, proposed by the County Executive and pending on County Council approval, is projected to generate approximately \$4.3 million in FY2004. This estimate is based on a mid-year implementation in FY2004. Annualized growth in FY2005 would be in the range of approximately \$10 million. Besides tax rate, the following variables also influence the tax yield:

- The economy
- Federal and State Tax changes
- Employment growth
- The share to municipal governments
- Taxpayer behavior
- Capital gains realization rates
- Disparity Grant

The State distributes monies to the County on a quarterly basis based on withholdings, declarations and estimated returns filed by employers and taxpayers. The State distributions are net of reserves for refunds, administrative costs, unallocated taxes (taxes for which no return has been filed) and municipal corporation shares. Municipalities receive a share of their residents' local income tax liability based on the greatest of 8.5% of the State income tax liability, 17% of the county income tax liability or .37% of the Maryland taxable income of municipal residents. Tax tables are usually adjusted at the beginning of the calendar year when any tax law changes would take effect.

County Income Tax revenue currently includes both income tax receipts and a State income disparity grant. County Income Tax receipts grew by only 1.8% in FY2002 amid a nationwide economic downturn and the weak performance is likely to continue in FY2003. In FY2004, revenue is projected to grow by 2.6% from FY2003 budget level, assuming a moderate

economic recovery by then. In addition, the County is expected to receive the State Income Disparity Grant again, but the FY2004 amount will drop significantly from the previous fiscal year because the per capita income tax gap between the County and the State's average continues to narrow. According to recent State calculations, in FY2004, the County is likely to receive a Disparity Grant of approximately \$7 million, compared to \$14.7 million in FY2003. In addition, the Governor's FY2004 budget proposal includes a shift of cost of assessing property from the state to the local governments -- approximately \$1.2 million for Prince George's County. This additional cost is projected to come out of Income Tax revenues. Hence, net Disparity Grant (after factoring in the property assessment charge) is projected to be \$5.8 million in FY2004.

The County's job market continues to be weak but shows some improvement. Unemployment rate remains relatively high (4.2% in December 2002), but has been declining from the peak level of 5.6% since March 2002.

TRANSFER AND RECORDATION TAXES (\$ in thousands)					
		FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$	80,060	\$ 74,551	\$ 90,874	\$ 86,330
\$ CHANGE		5,838	(5,509)	10,813	11,779
% CHANGE		7.9%	-6.9%	13.5%	15.8%

**TRANSFER TAXES** are taxes imposed upon recordation of instruments conveying title to real property, or any other interest in real property. All transfer tax revenue is dedicated to the Board of Education. The tax rate is unchanged at 1.4% for FY2004, as there is no longer a State-mandated sunset on this tax rate. The Proposed FY2004 revenue assumes no change in State law. Transfer tax continued a strong growth during FY2003, due to active home sales and escalating housing prices driven by historically low mortgage rates. However, the housing market is projected to moderate off its peak, which is likely to result in a decrease in Transfer Tax in FY2004. Transfer and recordation taxes remain the most volatile major revenue source of the County.

**RECORDATION TAXES** are taxes on the recordation of written instruments conveying title to real or personal property, conveying leasehold interests in real property or creating liens and encumbrances on real or personal property. The tax rate is \$2.20 per \$500 of value, or .44%. The variables influencing these tax bases include:

- The business cycle
- Interest rates
- Availability of credit

- The real estate market

OTHER LOCAL TAXES (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 61,214	\$ 80,290	\$ 89,095	\$ 96,284
\$ CHANGE	205	19,077	27,882	15,994
% CHANGE	0.3%	31.2%	45.5%	19.9%

**OTHER LOCAL TAXES** include Energy Taxes, Telecommunication Taxes, Hotel/Motel Taxes, Admissions and Amusement Taxes, Penalties and Interest on Delinquent Taxes, and Trailer Camp Taxes. The large increase in other local taxes in FY2003 is attributed to the introduction of Telecommunications Tax; The increase in FY2004 is partly due to the change from a partial year collection (11 months in FY2003) to a full year collection for Telecommunications Tax. The State mandated that the County impose and collect a sales and use tax on telecommunications service (including both land line and wireless telecommunications), pursuant to House Bill 949 enacted during the 2002 Session of the Maryland General Assembly. The State also required that the net proceeds of this revenue be used only for operating expenditures of the County's school system. The County Council enacted companion legislation (CB-37-2002) setting the tax rate at eight percent (8.0%) on the gross receipts for telecommunications service in the County. An administrative fee of one percent of collections remitted to the County will be shared equally between vendors and the County to cover the cost of collecting and remitting the tax and administering the collection of the tax. The tax has been applied to telecommunications bills issued on or after August 1, 2002. FY2003 Telecommunications Tax revenue is estimated to be higher than originally budgeted. However, to provide additional funding to the Board of Education in FY2003, the County Executive will submit to the County Council for approval a \$4.2 million supplemental appropriation to the Board out of Telecommunications Tax revenues in FY2003. The Hotel/Motel tax rate is set at 5%, with municipalities receiving 50% of the revenue received from hotels located within their corporate limits. Hotel/Motel Taxes and Admissions and Amusement Taxes are both expected to see a recovery in FY2004.

The largest local tax in Other Local Taxes is the Energy Tax, comprising around half of the total revenue in this category. The Energy Tax rates are determined each year from the prior calendar year's total consumption and total sales. The formula divides total calendar year 2002 sales (by type of energy used) by total 2002 consumption, which is then multiplied by 7.5%, the current effective cost of energy sales, to arrive at FY2004's unit charge per kilowatt hour, therm, gallon or other unit. FY2004 rates compared to FY2003 are shown below:

Energy Tax Components			
	FY2003 Rates	FY2004 Rates	% Change
Electricity (KWH)	0.005305	0.004946	-7%
Natural Gas (Therm)	0.056175	0.054821	-2%
Fuel Oil (Gal.)	0.071565	0.076771	7%
Propane (Gal)	0.121882	0.102084	-16%

Fluctuations in energy usage due to weather conditions and the price instability of fuels such as natural gas and oil can cause major deviations in rates between fiscal years. During FY2003, energy consumption is estimated to be relatively high due to a colder than normal winter. Rate changes granted to the major utilities by the Public Service Commission also influence the yield from this revenue source. The entire energy tax is earmarked for the Board of Education. Any growth from this revenue source is added to the County's maintenance-of-effort calculation used to determine the minimum local support to the Board. The law provides for certain exemptions including certain qualifying residents, Federal, State and municipal governments.

STATE SHARED TAXES (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 24,658	\$ 23,851	\$ 23,851	\$ 17,425
\$ CHANGE	(354)	(807)	(807)	(6,426)
% CHANGE	-1.4%	-3.3%	-3.3%	-26.9%

**STATE SHARED TAXES** consist of highway user and corporate transfer taxes that are shared with the County. State shared taxes are projected to experience a significant decrease in FY2004 because the State proposes to cut highway user revenues in an attempt to close the State's own potential budget gap. In FY2004, highway user revenue to the County (including municipalities) is projected to decrease by approximately \$9 million, or 28% from FY2003. The highway user revenues are restricted State monies and can only be used to construct or maintain roads, including payment of road debt. The State receives 70% of money derived from certain fuel taxes, titling taxes, licenses, and corporate income taxes. The remaining 30% is allocated to local jurisdictions. The County's allocation is based on local road mileage and

vehicle registrations. Municipalities in the County receive a share on the same allocative basis. Approximately 25% of the County share goes to the municipal governments.

LICENSES AND PERMITS (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 16,369	\$ 15,761	\$ 15,174	\$ 15,664
\$ CHANGE	2,084	(608)	(1,195)	(97)
% CHANGE	14.6%	-3.7%	-7.3%	-0.6%

**LICENSES AND PERMITS** include revenue derived from a number of licenses and permits issued for regulatory purposes. They include Building Permits, Street Use Permits, Business Licenses (regulatory, not income-related), Liquor Licenses and Permits (authorized by the State), Animal Licenses, Health Permits, and various other permits. The largest portion of these revenues is related to the building sector of the economy, and as such is subject to significant year-to-year changes as the amount of construction in the County rises and falls. Licenses and permits revenues are projected to be weak in FY2003 and show a moderate recovery in FY2004 as the economic situation improves.

USE OF MONEY AND PROPERTY (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 16,696	\$ 14,636	\$ 9,440	\$ 9,776
\$ CHANGE	(6,584)	(2,060)	(7,256)	(4,860)
% CHANGE	-28.3%	-12.3%	-43.5%	-33.2%

**USE OF MONEY AND PROPERTY** includes revenue derived from the investment of idle County cash and the lease of certain County owned or leased properties. The County's cash position improved significantly during FY1997-FY2000, which helped improve interest income in this period. In both FY2002 and FY2003, however, interest income dropped significantly due to the series of interest rate cuts by the Federal Reserve Board in 2001 and 2002. Currently, the federal funds rate remains low at 1.25%. As a result, interest income is projected to see a continuous decrease in FY2003. In FY2004, investment income is projected to remain weak given the uncertain economic outlook.

CHARGES FOR SERVICES				
(\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 22,188	\$ 18,997	\$ 21,302	\$ 21,988
\$ CHANGE	3,831	(3,191)	(886)	2,991
% CHANGE	20.9%	-14.4%	-4.0%	15.7%

**CHARGES FOR SERVICES** are typically known as user fees. For example, the County receives fees from tax collection services provided to various agencies for whom the County levies taxes; animal control charges such as fines and user fees related to the County shelter; fees and charges levied by the Health Department for health related services; the 911 fee that is allocated to the emergency system costs; and contractual police services used by certain municipal governments in lieu of full-time municipal police. In FY2003 and FY2004, Corrections charges are expected to show a strong growth due to rate adjustments for housing State and Federal prisoners.

INTERGOVERNMENTAL REVENUES				
(\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 34,627	\$ 34,054	\$ 34,054	\$ 34,258
\$ CHANGE	293	(573)	(573)	204
% CHANGE	0.9%	-1.7%	-1.7%	0.6%

**INTERGOVERNMENTAL REVENUES** include State restricted grants, along with a small portion of Federal monies related to emergency preparedness. In FY2004, the County assumes to continue to receive the Electricity Deregulation Grant of \$7.7 million from the State. The grant, stipulated in State Senate Bill 344, 1999, was intended to partially compensate local jurisdictions for the potential loss of revenues due to electricity deregulation. The State plans to review this policy in FY2003 and determine whether to continue this grant in the future.

MISCELLANEOUS RECEIPTS (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 2,473	\$ 3,715	\$ 2,088	\$ 2,182
\$ CHANGE	(494)	1,241	(385)	(1,533)
% CHANGE	-16.7%	50.2%	-15.6%	-41.3%

**MISCELLANEOUS RECEIPTS** encompass a number of relatively minor County revenues. The principal sources are Fines and Forfeitures and County sales. In FY2003, Fines and Forfeitures revenue is projected to decrease dramatically because of a significant drop of revenue from red light cameras (probably due to drivers' behavior change). FY2004 performance is projected to remain relatively weak.

OTHER FINANCING SOURCES (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ -	\$ 19,000	\$ 19,000	\$ 9,205
\$ CHANGE	-	19,000	19,000	(9,795)
% CHANGE	0%	100.0%	100.0%	-51.6%

**OTHER FINANCING SOURCES** includes use of Fund Balance and transfers in of excess moneys from other County funds. Normally, these sources are one-time in nature. The FY2004 budget includes the use of \$1 million of Fund Balance, a \$1 million transfer from the Property Management Fund, a \$3 million transfer from monies reserved for pensions, and a \$4.2 million transfer of Telecommunications Tax revenue expected to be received by the County in FY2003. The funding from the Telecommunication Tax will be allocated to the Board of Education in FY2004.

BOARD OF EDUCATION SOURCES					
(\$ in thousands)					
		FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$	545,335	\$ 607,386	\$ 607,386	\$ 653,538
\$ CHANGE		52,917	62,052	62,052	46,152
% CHANGE		10.7%	11.4%	11.4%	7.6%

**BOARD OF EDUCATION SOURCES** is expected to grow by 7.6% in FY2004. This growth prediction assumes the continued implementation by the State in FY2004 of the Thornton Commission recommendations. The Commission recommended increases in funding for core aid levels (Current Expense Aid, Transportation Aid, Handicapped Aid, Compensatory Aid, Limited English Proficiency Aid) and decreases or elimination of many targeted aid categories, such as Magnet Aid and the Governor's Teacher Salary Challenge. The General Assembly did not fully implement the Commission recommendations in FY2003. But the Assembly provided a transitional funding increase in FY2003 and pledged funding along the lines recommended by the Commission for FY2004. Beyond this, only modest increase in Federal grant aid and revenues generated by the Board through its own sources are projected.

COMMUNITY COLLEGE SOURCES					
(\$ in thousands)					
		FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$	44,445	\$ 47,392	\$ 47,392	\$ 47,392
\$ CHANGE		4,126	2,946	2,946	-
% CHANGE		10.2%	6.6%	6.6%	0.0%

**COMMUNITY COLLEGE SOURCES** in FY2004 is projected to be the same level as FY2003 despite a State proposal of cutting funds. Growth in state Aid for all colleges in FY2003 was offset by a temporary decline in the level of State Aid per FTE student for State four-year universities (State aid to community colleges was pegged at 25% of that FTE student aid level. It declined in FY2003 to 23%). The State has planned to gradually increase the FTE student aid level back to 25% by FY2007. To counteract the effect of the State aid recalculation in FY2003, the College increased tuition and fees by \$5 per credit hour. State aid was reduced during FY2003. The State reduced funding directly to State four year colleges, which through existing formula, resulted in an indirect reduction in Community College aid. State aid in FY2004 is expected to be \$845,000 below FY2003 adopted levels. The College is currently considering a tuition increase as a means of compensating for this State aid decrease.

LIBRARY SOURCES (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 6,038	\$ 6,383	\$ 6,383	\$ 6,367
\$ CHANGE	(156)	345	345	(16)
% CHANGE	-2.5%	5.7%	5.7%	-0.3%

**LIBRARY SOURCES** are projected to decrease by 0.3% to \$6.4 million in FY2004. Fines, fees and other revenue generated by the Library system account for approximately \$1.2 million. The remaining \$5.2 million is provided by the State -- this amount was originally based on a formula that measures estimated County populations and the relative wealth of counties, but in FY2004 it includes a cut of funding as part of the State's strategy to help balance the State's own budget. No major increase in State aid or other revenues such as fines and film fees generated by the library system is expected.

TOTAL GENERAL FUND (\$ in thousands)				
	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
YIELD	\$ 1,608,379	\$ 1,725,772	\$ 1,747,573	\$ 1,796,841
\$ CHANGE	82,204	117,392	139,194	71,069
% CHANGE	5.4%	7.3%	8.7%	4.1%

**SUMMARY:** General Fund revenue growth in FY2004 will mainly come from these major sources: Real Property Taxes, Telecommunications Taxes and Outside Aid to education. Other sources are growing slowly. The County's revenue stream (excluding the one-time introduction of Telecommunications Tax) has slowed down during the economic downturn. Revenue growth is projected to continue to be relatively slow in FY2004, given the anticipated cuts of funding from the State and uncertainties on the economic outlook.

The increased volatility of the revenue stream, coupled with the limitations on the County's property tax rate and other revenue sources, suggests that the County needs to maintain healthy financial reserves and be very selective in its decisions to commit to new ongoing expenditures.

## FY2004 Allocated Revenues

Some County revenues are allocated to cover some or all costs of specific services. Listed below are the allocated General Fund revenues.

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY2002 Budget</u>	<u>FY2003 Budget</u>	<u>FY2004 Proposed Budget</u>
County Council	Zoning Fees	\$ 22,000	\$ 22,000	\$ 22,000
	<b>Total County Council</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>
Office of Information Technology & Communications	911 Fees	\$ 3,638,200	\$ 3,409,000	\$ 4,306,700
	<b>Total OITC</b>	<b>\$ 3,638,200</b>	<b>\$ 3,409,000</b>	<b>\$ 4,306,700</b>
Board of License Commissioners	Liquor Licenses	\$ 894,800	\$ 921,600	\$ 921,600
	<b>Total Board of License Commissioners</b>	<b>\$ 894,800</b>	<b>\$ 921,600</b>	<b>\$ 921,600</b>
Board of Elections	Sale of Voter Material	\$ 5,000	\$ 5,000	\$ 10,000
	<b>Total Board of Elections</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 10,000</b>
Office of Central Services	Property Rental	\$ 1,200,000	\$ 1,236,000	\$ 1,118,900
	Sale of Surplus Property	200,000	456,000	228,100
	<b>Total Central Services</b>	<b>\$ 1,400,000</b>	<b>\$ 1,692,000</b>	<b>\$ 1,347,000</b>
Circuit Court	Bail Bondsman	\$ 404,000	420,000	420,000
	Marriage Cer. Fees	26,000	26,000	30,000
	Domestic Relations	500,000	566,500	566,500
	Circuit Ct - Adm Salary	425,500	-	-
	Jury Fees Reimbursement	0	500,000	450,000
	Court Appearance Fees	300,000	200,000	200,000
	Miscellaneous	4,000	3,000	3,000
	<b>Total Circuit Court</b>	<b>\$ 1,659,500</b>	<b>\$ 1,715,500</b>	<b>\$ 1,669,500</b>
Office of the State's Attorney	Service Charges	\$ 15,000	\$ -	\$ -
	<b>Total State's Attorney</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ -</b>
Office of the Sheriff	Circuit Court Revenue	\$ 250,000	\$ 250,000	\$ 300,000
	Evictions Revenue	1,850,000	1,850,000	1,750,000
	Miscellaneous Fees	269,000	372,000	394,300
	<b>Total Sheriff</b>	<b>\$ 2,369,000</b>	<b>\$ 2,472,000</b>	<b>\$ 2,444,300</b>
Department of Corrections	Corrections Charges	\$ 2,323,300	\$ 2,510,400	\$ 3,645,100
	<b>Total Corrections</b>	<b>\$ 2,323,300</b>	<b>\$ 2,510,400</b>	<b>\$ 3,645,100</b>
Department of Environmental Resources	Building/Grading Permits	\$ 6,100,000	\$ 6,150,200	\$ 5,693,600
	Business Licenses (Apt. & Hm Rental)	2,400,000	2,400,000	2,400,000
	Animal Licenses	190,500	175,100	160,000
	Business Licenses (Other)	390,000	390,000	390,000
	<b>Total Environmental Resources</b>	<b>\$ 9,080,500</b>	<b>\$ 9,115,300</b>	<b>\$ 8,643,600</b>
Department of Public Works and Transportation	Highway User Revenues	\$ 3,405,800	\$ 4,345,000	\$ 0
	Sale of Salt	40,000	40,000	0
	Street Use Permits	5,126,500	2,432,700	2,850,800
	<b>Total Public Works</b>	<b>\$ 8,572,300</b>	<b>\$ 6,817,700</b>	<b>\$ 2,850,800</b>

<u>Agency/Department</u>	<u>Revenue Description</u>	<u>FY2002 Budget</u>	<u>FY2003 Budget</u>	<u>FY2004 Proposed Budget</u>
<b>Police Department</b>	State Police Grant	\$ 11,250,000	\$ 10,860,000	\$ 10,936,000
	Anti-Violence Grant	2,500,000	2,500,000	2,500,000
	War on Drugs Grant	662,500	662,500	662,500
	Contractual Police Services	2,000,000	1,900,000	1,900,000
	<b>Total Police</b>	<b>\$ 16,412,500</b>	<b>\$ 15,922,500</b>	<b>\$ 15,998,500</b>
<b>Fire/EMS Department</b>	Federal OEP Grant	\$ 65,000	\$ 67,000	\$ 67,000
	Contractual Fire Services	200,000	200,000	200,000
	Advance Life Support Fee	500,000	510,000	600,000
	Miscellaneous Sales	15,000	15,000	15,000
	<b>Total Fire</b>	<b>\$ 780,000</b>	<b>\$ 792,000</b>	<b>\$ 882,000</b>
<b>Volunteer Fire Department</b>	State Fire Grant	\$ 1,136,400	\$ 1,119,900	\$ 1,113,000
	<b>Total Volunteers</b>	<b>\$ 1,136,400</b>	<b>\$ 1,119,900</b>	<b>\$ 1,113,000</b>
<b>Health Department</b>	State Health Grant	\$ 8,487,200	\$ 8,745,900	\$ 8,868,300
	Health Permits	1,291,900	1,330,700	1,287,500
	Health Fees	918,500	850,000	867,000
	<b>Total Health</b>	<b>\$ 10,697,600</b>	<b>\$ 10,926,600</b>	<b>\$ 11,022,800</b>
<b>Department of Social Services</b>	Federal FEMA Grant	\$ 30,000	\$ 30,000	\$ -
	State DHR DSS Grant	400,000	400,000	442,000
	<b>Total Social Services</b>	<b>\$ 430,000</b>	<b>\$ 430,000</b>	<b>\$ 442,000</b>
<b>Office of Finance</b>	Telecommunications Tax	0	\$ 95,000	171,900
	<b>Total Finance</b>	<b>0</b>	<b>\$ 95,000</b>	<b>\$ 171,900</b>
<b>Board of Education</b>	State & Federal Aid	\$ 534,365,900	\$ 607,386,100	\$ 653,538,100
	Energy Tax	45,100,000	43,733,000	43,733,000
	Transfer Tax	52,227,400	55,041,200	63,452,400
	Income Disparity Grant	0	5,325,800	0
	Telecommunications Tax	0	19,000,000	34,028,100
	Telecommunication Tax Reserve	0	0	4,205,000
	<b>Total Board of Education</b>	<b>\$ 631,693,300</b>	<b>\$ 730,486,100</b>	<b>\$ 798,956,600</b>
<b>Community College</b>	State Aid/Tuition	\$ 43,786,000	\$ 47,391,500	\$ 47,391,500
	<b>Total Community College</b>	<b>\$ 43,786,000</b>	<b>\$ 47,391,500</b>	<b>\$ 47,391,500</b>
<b>Memorial Library</b>	State Aid/Fines	\$ 6,600,500	\$ 6,383,100	\$ 6,367,100
	<b>Total Library</b>	<b>\$ 6,600,500</b>	<b>\$ 6,383,100</b>	<b>\$ 6,367,100</b>
<b>Sub-total</b>		<b>\$ 741,515,900</b>	<b>\$ 842,227,200</b>	<b>\$ 908,206,000</b>
<b>Debt</b>	Highway User Revenues*	\$ 18,590,000	\$ 19,480,600	\$ 17,400,000
	<b>Total Debt</b>	<b>\$ 18,590,000</b>	<b>\$ 19,480,600</b>	<b>\$ 17,400,000</b>
<b>Total</b>		<b>\$ 760,105,900</b>	<b>\$ 861,707,800</b>	<b>\$ 925,606,000</b>

\* Highway user revenue is used to fund road maintenance and retire debt for County GOB Bonds and State Participation Bonds.

## **MUNICIPAL TAX DIFFERENTIAL**

### **PROGRAM INFORMATION**

The Tax Property Article of the Annotated Code of Maryland (Title 6, Subtitle 6-305) mandates that the County recognize, through a reduced County tax rate or direct grant payment, those governmental services and programs that municipal governments perform in lieu of similar County services, to the extent that these similar services are funded through the property tax rate.

### **FINANCIAL SUMMARY**

Under the provisions of Title 17, Subtitle 10, Division 6 of the Public Local Laws of Prince George's County, each town's cost of each service identified in the prior-year County budget is assigned a tax rate equivalency value after adjustments are made to offset revenue directly allocable to a specific service. The aggregate town requests for "in lieu of" service credit, as certified by the County, are translated into a dollar value, which is the sum of the products of the tax rate equivalent cost of the service multiplied by each town's tax base. Each of these net service values is then reduced to reflect the portion of each County service paid for by the property tax levy. The sum of the tax rate values of the services constitutes the tax rate differential accruing to each town, i.e., the amount by which the County unincorporated area property tax rate will be reduced in each respective town.

Beginning with FY1999, County legislation set a five-year rolling average for changes in the municipal differential rates. In FY2004 this will change to a three year rolling average. The purpose of this modification is to provide stability to municipal residents' County tax rates, smoothing what could otherwise be large rate changes that could be triggered by a reorganization of County services, economic fluctuations, changes in municipal service levels, or other factors.

In 2000, Maryland Senate Bill 626 provided that, beginning in FY2001, property tax rates shall be applied to 100% of the market value of real property, rather than the 40% for most real property under previous law, and that county real property tax rates and municipal tax differentials be adjusted to make the impact revenue neutral. As a result, starting from FY2002, a separate real property tax rate and a separate personal property rate have been applied. Also, a separate real property tax differential and a separate personal property tax differential have been applied, in accordance with State law and County code (CB-1-2001).

**FY2004 Tax Differential Rates**

Municipality	FY2004 Tax Differential		FY2004 Value		Total
	Personal Property	Real Property	Personal Property	Real Property	
Berwyn Heights	0.350	0.142	\$ 71,798	\$ 225,821	\$ 297,619
Bladensburg	0.373	0.152	59,119	351,737	410,856
Bowie	0.036	0.015	24,205	514,722	538,927
Brentwood	0.051	0.021	1,833	21,131	22,964
Capitol Heights	0.316	0.129	29,623	207,303	236,926
Cheverly	0.332	0.135	54,144	409,069	463,213
College Park	0.039	0.016	27,792	145,005	172,797
Colmar Manor	0.044	0.018	1,303	9,148	10,451
Cottage City	0.317	0.129	8,627	67,685	76,312
District Heights	0.340	0.138	15,858	299,268	315,126
Eagle Harbor	0.014	0.006	6	235	241
Edmonston	0.333	0.136	15,110	108,535	123,645
Fairmount Heights	0.188	0.076	2,435	42,915	45,350
Forest Heights	0.204	0.083	5,083	86,836	91,919
Glenarden	0.298	0.121	6,361	269,008	275,369
Greenbelt	0.383	0.156	346,006	1,728,215	2,074,221
Hyattsville	0.372	0.151	268,346	901,557	1,169,903
Landover Hills	0.357	0.145	14,613	76,665	91,278
Laurel	0.429	0.175	454,713	2,070,584	2,525,297
Morningside	0.313	0.127	4,046	80,489	84,535
Mount Rainier	0.366	0.149	14,749	289,823	304,572
New Carrollton	0.031	0.013	3,398	53,256	56,654
North Brentwood	0.029	0.012	340	2,880	3,220
Riverdale Park	0.377	0.153	62,187	414,895	477,082
Seat Pleasant	0.342	0.139	18,366	230,487	248,853
University Park	0.342	0.139	6,724	256,086	262,810
Upper Marlboro	0.190	0.077	31,309	45,295	76,604
<b>Total</b>			<b>\$ 1,548,094</b>	<b>\$ 8,908,650</b>	<b>\$ 10,456,744</b>

## DEBT SERVICE FUND

	FY2002 ACTUAL	FY2003 BUDGET	FY2003 ESTIMATED	FY2004 PROPOSED
<b>REVENUE</b>				
State IDA Interest	\$ 182,746	\$ 331,300	\$ 331,300	\$ 1,515,700
Mass Transit	7,465,400	7,188,400	6,446,500	6,455,400
Pre-TRIM Debt	910,593	596,300	596,300	-
School Surcharge	1,321,151	2,641,600	2,459,200	4,435,300
Interest and Premiums	3,794,231	-	-	-
General Fund	62,182,160	67,886,000	66,924,200	72,001,300
<b>TOTAL</b>	<b>\$ 75,856,281</b>	<b>\$ 78,643,600</b>	<b>\$ 76,757,500</b>	<b>\$ 84,407,700</b>
<b>EXPENDITURES</b>				
Principal	43,671,227	44,096,800	41,850,300	45,665,300
Interest	32,185,054	34,546,800	34,907,200	38,742,400
<b>TOTAL</b>	<b>\$ 75,856,281</b>	<b>\$ 78,643,600</b>	<b>\$ 76,757,500</b>	<b>\$ 84,407,700</b>

### FUND DESCRIPTION

The Debt Service Fund provides payment of interest, principal and service charges on the general obligation debt of the County and on State participation loans. Solid Waste Management Fund debt is included in the Solid Waste Enterprise Fund. Stormwater Management debt is included in the Stormwater Management Enterprise Fund.

The Revenue Authority debt service payments have been recognized in the Other Non-Departmental Expenses section of the Budget.

## **GRANT PROGRAM DESCRIPTIONS**

This section of the budget document summarizes all of the County's grant programs. The preponderance of the grants reported here are intergovernmental awards of funds targeted to specific purposes with grantor approval of expenditure plans or budgets. For accounting purposes, some spending included in this section of the budget reflects costs of activities supported by other outside revenues, e.g., registration fees for conferences or grants from non-governmental entities. While human service agencies continue to administer the majority of the grants awarded to the County, many grants can be found in other areas such as public safety and criminal justice. These anticipated grant awards will support costs of close to 1,000 staff in FY2004. Many grant funded positions are limited term; they do not appear in the County's authorized full or part time merit system position counts. These positions are characteristically budgeted in programs which are new or are expanding and where future support for the positions is uncertain.

Operating expenditures of grant programs include all customary costs of program operations but they also include a large percentage of funding to subcontract services. In these situations, the County acts as a purchasing agent for services, on behalf of the grantor, and then as contract administrator for the service agreements, processing payments to vendors and reporting on financial and program outcomes to grantors.

All revenue and expenditures of these programs are accounted for in several special revenue funds established for financial control and auditing purposes.

Total grant programs spending authorized for FY2004 is \$144.5 million, a decrease of \$810,500 from FY2003. The FY04 grant decrease is mainly due to state funding reductions. County cash participation of \$1.7 million, included in the administering agencies' General Fund budgets, is projected for these programs in FY2004. Total program spending includes both the County cash appropriated in the various agencies' General Fund budgets and the total of outside sources of grant funds (Federal, State and other). In-kind contributions are not included in the totals for programs.

The budget pages for agencies display summary spending and budget information for each grant administered by that agency. A chart at the beginning of the grant section of an agency's budget pages displays the agency's spending for all grants it administers by expenditure type, (e.g., compensation).

The following are program descriptions for the grants the County anticipates being awarded in FY2004. Amounts shown for each grant represent total grant program spending and in some cases will include County cash as a part of the program revenue. For detail on sources of funds that support each program, refer to the chart that follows these descriptions.

### **Human Relations Commission**

#### **EEOC WORKSHARING AGREEMENT (\$226,200)**

The Human Relations Commission has a worksharing agreement with the United States Equal Employment Opportunity Commission (EEOC). Under this agreement, the Commission investigates allegations of discrimination in employment that occur in Prince George's County. These allegations are dually filed with the EEOC and are based on a violation covered by Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act (ADEA) and the Americans With Disabilities Act (ADA). EEOC reimburses the Commission a fixed amount per case.

#### **HUMAN RELATIONS AWARD PROGRAM (\$35,000)**

This annual agency banquet provides recognition to persons and/or organizations that have made outstanding contributions to the Prince George's County community. Special emphasis is placed on the areas of community service and human relations.

### **COMMUNITY RELATIONS/MEDIATION SERVICES (\$86,000)**

This grant, from the Maryland Alternative Dispute Resolution Commission, is being awarded to supplement the Human Relations Commission's mediation services in the County.

### **LEADERSHIP PRINCE GEORGE'S (\$123,800)**

Leadership Prince George's is a community leadership program that provides annual training and development experience for a selected group of managers and leaders of organizations and businesses in Prince George's County. The program was designed and developed by the Human Relations Commission, and is partially funded by tuition fees paid by participants.

### **Office of Personnel and Labor Relations**

#### **SENIOR AIDE EMPLOYMENT PROGRAM (\$392,900)**

The Senior Aide Employment Program is funded through the Senior Service America, Inc. Seniors aged 55 and over, who without this program would have limited opportunities for other suitable public or private paid employment, work as part time aides. They gain job experience and training while providing valuable service to many governmental and non-profit agencies throughout the County.

### **Circuit Court**

#### **FAMILY DIVISION GRANT (\$1,555,600)**

The Family Division Legislative Initiative Grant funds the Court's Family Division that provides the following services: a one-stop Information and Referral Center; the Family Support Services Unit which provides certain family support services (e.g., mediation, domestic violence coordination, and other clinical assessment and referral services); and enhanced monitoring, scheduling, and oversight functions in the Family Law area.

#### **COOPERATIVE REIMBURSEMENT GRANT/MASTERS (\$364,800)**

This is a Federal grant which reimburses the Circuit Court for activities it undertakes in the area of child support enforcement. The Office of the Master of Domestic Relations hears and makes recommendations to the Circuit Court on cases concerning the establishment of paternity, establishment of civil support obligations, and enforcement of the collection of Court-ordered child support.

### **Office of the State's Attorney**

#### **STOP VIOLENCE PROGRAM (\$115,800)**

Funding is provided through the Federal Violence Against Women Act, which enables the Office of the State's Attorney to enhance services for victims of domestic violence.

#### **VICTIMS OF CRIME ASSISTANCE-VOCA PROGRAM (\$39,700)**

This grant supports a Spanish-speaking advocate who will provide victim assistance services.

#### **DISTRICT COURT SCREENING (\$50,000)**

This grant will provide funding for a legal assistant who will serve as the point of contact for victims.

#### **HOMICIDE SURVIVORS SUPPORT GROUP (\$46,700)**

This Federal grant provided funds to hire a part-time advocate and contractual social worker to offer short-term grief counseling to families who have lost loved ones to homicide.

#### **PRINCE GEORGE'S COUNTY TEEN COURT (\$172,700)**

This program presents communities with the opportunity to teach young teens valuable life and coping skills.

### **Public Works and Transportation**

#### **RIDESHARING PROGRAM (\$269,200)**

This program promotes ridesharing in the public and private sectors by helping commuters form car and van pools, thereby reducing congestion on County highways. The Federal Highway Administration provides funding through the Urban Systems Program.

### **Department of Environmental Resources**

#### **ANIMAL MANAGEMENT VOLUNTEER/HUMANE EDUCATION GRANT (\$3,000)**

Federal grant funds support adoption of abandoned animals through educational publications and materials, instructional equipment and pet carriers.

#### **CHESAPEAKE BAY CRITICAL AREA GRANT (\$42,000)**

State grant funds received under this program provide funding to the Department of Environmental Resources to plan and implement the Chesapeake Bay Critical Area Program for the County.

#### **MARYLAND DEPARTMENT OF NATURAL RESOURCES (MDNR) / NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) (\$20,000)**

Funded as part of a bay-wide public outreach program on Rain Gardens for both new and existing residential homes using a community-based approach. This funding is for implementation of one Train-the-Trainers workshop series.

#### **NATIONAL FISH AND WILDLIFE (\$25,000)**

Funded as part of a bay-wide public outreach program on Rain Gardens for both new and existing residential homes using a community-based approach. This funding is for implementation of Train-the-Trainers workshop series and public outreach materials.

#### **HAZARD MITIGATION PLAN DEVELOPMENT (\$75,000)**

Purchase, re-grade and stabilize eight residences damaged/condemned because of severe slope failure in the Tor-Bryant subdivision.

#### **CHESAPEAKE BAY TRUST (\$20,000)**

Funded as part of a bay-wide public outreach program on Rain Gardens for both new and existing residential homes using a community-based approach. This funding is for workshop materials.

#### **SEPTIC SYSTEM-AREAS OF CONCERN (\$43,700)**

To determine preliminary Areas of Special Concern (ASCs) within the County, to compare ASCs with the distribution of Conventional Onsite Disposal Systems (OSDS) and conduct a pilot field evaluation based on identified hotspots where ASCs and OSDS overlap.

#### **SEPTIC SYSTEM- GIS DATABASE (\$80,100)**

To upgrade the existing County database of OSDS to assist with better management of OSDS in various Prince George's County watersheds.

### **UPPER PATUXENT RIVER LID RETROFIT (\$16,000)**

The County will develop a Watershed Restoration Action strategy for the watershed. The County proposes to develop a plan to target areas for implementing Low Impact Development (LID) techniques and develop a plan to rehabilitate degraded in-stream and riparian habitats.

### **FEMA - GIS TOPOGRAPHIC LAYERS (\$358,500)**

The County is partnering with the Federal Emergency Management Agency, the Maryland State Highway Administration and the Maryland-National Capital Park and Planning Commission to develop a GIS based 2-foot topographic data and Digital Terrain Model for the entire County. The information will be used for hydrologic and hydraulic modeling and floodplain mapping to produce Digital Flood Insurance Rate maps.

### **PROJECT IMPACT (\$315,000)**

This Federal funding will be used in two phases. The first phase will focus on solving isolated and severe flooding problems. Phase two will involve public education programs to heighten flood awareness, availability of flood insurance and actions to reduce flood damage.

### **COOPERATIVE TECHNICAL COMMUNITIES (\$139,500)**

Federal funding to develop detailed hydrologic and hydraulic analyses, floodplain mapping for approximately 105 miles of flooding sources within the Anacostia River Watershed using the County's Geographic Information System (GIS)-based floodplain models.

### **ANACOSTIA RIVER FLOOD WARNING (\$250,000)**

This program focuses on the reduction of public and private flood damages by participating in the funding of local government capital projects which will reduce flood damages and also conduct watershed studies to define flood magnitudes and frequencies for present and planned development and to identify alternatives for controlling and reducing flood damages.

## **Police Department**

### **LOCAL LAW ENFORCEMENT BLOCK GRANT #8 (\$1,571,000)**

The amount included in the proposed budget represents the anticipated award of an eighth block grant for local law enforcement purposes. These Federal funds are awarded on a formula basis and are expended after review of local needs and approval of the local plan for grant expenditures.

### **ALCOHOL/DRUG HIGHWAY SAFETY PROGRAM (\$400,000)**

This program provides funding to conduct sobriety checkpoints, assign Driving While Intoxicated (DWI) Task Force officers to each high school prom, develop and distribute DWI-related information, distribute Drug Education Guide pamphlets, enable County high school seniors to use a DWI simulator, sponsor a drug summit for County middle and high school students, purchase additional breath test devices, and enable the County to expand public education efforts towards drug- and alcohol-free driving.

### **ALCOHOL, TOBACCO AND FIREARMS TASK FORCE (ATF) (\$20,000)**

This grant reimburses Department overtime costs for participation in task force operations.

### **COMMERCIAL VEHICLE SAFETY PLAN (\$5,000)**

This grant from the Maryland Department of Transportation, State Highway Administration will support increased commercial motor vehicle enforcement and safety inspections on roads not patrolled by the Maryland State Police or the Maryland Transportation Authority Police.

### **COPS IN SCHOOLS GRANT (\$743,900)**

This grant supports costs of 20 police officers assigned to County high schools, as an element of the Police Department's Community Oriented Policing Services. The officers, in addition to providing a security presence, will be available to assist youth in avoiding situations where unlawful activity may occur. This grant, a three-year award, was received in 2000 and appropriated through supplementary appropriation.

### **BULLETPROOF VEST PARTNERSHIP (\$25,000)**

The Bureau of Justice Assistance of the U.S. Department of Justice will provide a grant to reimburse public safety agencies for part of the cost of purchasing bulletproof vests.

### **HOTSPOTS COMMUNITIES INITIATIVE (\$150,000)**

This grant, awarded through the Maryland Governor's Office of Crime Control and Prevention, supports costs of crime prevention and community improvement efforts of community based organizations and municipal entities. The Police Department is the administering agent for these funds.

### **FBI TASK FORCES (\$72,000)**

This grant includes two joint operations with the FBI: 1) "Fugitive Task Force" to conduct investigations to locate and apprehend violent fugitives who have fled the State of Maryland and those who have sought refuge within the State; and 2) "Safe Streets Task Force" to concentrate on violent crimes in the community.

### **DEA CROSS BORDER TASK FORCES (\$50,000)**

An agreement with the Drug Enforcement Administration of the U.S. Department of Justice will reimburse overtime of officers assigned to a task force which will attempt to disrupt illicit drug traffic across the borders of the District of Columbia, Maryland and Virginia.

### **METROPOLITAN AREA TASK FORCE (\$50,000)**

This program uses task force members to disrupt illicit drug trade in the metropolitan area through the gathering and reporting of intelligence data relating to narcotics. Seized assets are divided among the jurisdictions through the Federal asset forfeiture sharing process. Funding is received from the Drug Enforcement Administration.

### **CIVIL DISTURBANCE (\$25,000)**

An award from the Governor's Office of Crime Control and Prevention has been provided to purchase uniform apparel and equipment for emergency operations and civil disturbances.

### **ALCOHOL/DRUG HIGHWAY SAFETY (\$306,100)**

This program will reduce motor vehicle related collisions, injuries and deaths in Prince George's County through education, enforcement, engineering and legislation.

### **FBI JOINT TERRORISM TASK FORCE (\$11,000)**

Funds will be used to investigate terrorist organizations.

### **CREATING A CULTURE OF INTEGRITY (\$70,000)**

This program provides Federal funds to educate citizens, local organizations and governmental agencies about police accountability measures.

#### **US CUSTOMS/HIDTA (\$9,000)**

This initiative involves the investigation of money laundering by drug dealers, organizations, and gangs in the Washington/Baltimore area. The Police Department is reimbursed for overtime costs directly related to this project.

#### **SCHOOL BUS SAFETY ENFORCEMENT PROGRAM (\$35,000)**

The purpose of this program is conduct enforcement on motorists illegally passing school buses.

#### **OPERATION DEALERS (\$312,000)**

Funding is provided by several federal agencies to support collaborative efforts to reduce drug trafficking and related violent crime in identified areas and along the border areas of the County and the District of Columbia.

#### **VEHICLE THEFT ABATEMENT PROGRAM (\$200,000)**

The purpose of this program is to reduce the opportunity for auto theft through a comprehensive vehicle theft prevention and education program. The project coordinator works with municipalities, community and business groups, and Police Department staff to implement information campaigns and community education seminars in order to increase citizen awareness and prevention efforts.

#### **ANTI-DRUG INITIATIVE (\$50,000)**

Through an agreement with the High Intensity Drug Trafficking Area (HIDTA) offices, the Police Department will assign an officer to participate in a task force to reduce illicit drug distribution.

#### **U.S. CUSTOMS TASK FORCE (\$13,000)**

Grant funds will support costs of assisting the U.S. Customs with investigations.

#### **UNANTICIPATED GRANTS/TASK FORCES (\$300,000)**

This is an appropriation for grant awards not anticipated in the budget. This appropriation will allow for the quick start-up of small grants that may be necessary to avoid the potential loss of grant funds.

#### **Office of the Sheriff**

#### **CHILD SUPPORT ENFORCEMENT (\$1,297,100)**

This grant funds a special unit within the Office of the Sheriff that is responsible for service of process and writs of attachment to persons who are in arrears with child support payments.

#### **HOTSPOTS GRANTS (\$64,300)**

This grant covers the overtime of 8-10 deputy sheriffs who serve warrants in designated HotSpot communities. It also funds an LTGF position to for data entry and coordination.

#### **DOMESTIC VIOLENCE - MD VICTIMS OF CRIME (\$49,800)**

This grant funds two part-time clerks who are responsible for entry of all domestic violence court orders and papers into the MILES/NCIC computer system.

#### **Department of Corrections**

#### **COMMUNITY SERVICE PROGRAM (\$168,000)**

The Community Service Program develops and establishes non-profit, charitable and governmental work sites for adult, incarcerated, non-violent offenders, assigned by the Court to perform community service work as a condition of probation.

## **HIGH INTENSITY DRUG TRAFFICKING AREA (\$302,900)**

The Department of Corrections has assumed responsibility for the administration of this grant from the Health Department. This program has three phases: Phase I, a jail-based substance abuse treatment program; Phase II, an intensive outpatient treatment program, called Day Reporting; and Phase III, an outpatient care program provided by the Health Department. The County will fund Phase II (Day Reporting Program) of the grant until an alternative funding source can be secured.

### **Department of Family Services**

#### **NUTRITION FOR THE ELDERLY PROGRAM - CONGREGATE MEALS (\$823,900)**

Under Title III-C1 of the Older Americans Act of 1965, the State awards funds for nutrition programs for the elderly. The County uses these grant funds to provide meals to residents aged 60 and over at locations throughout the County. The program arranges with the Department of Public Works and Transportation for necessary transportation to and from the sites. An anticipated 104,500 meals will be served in FY2004. In addition to mandated services, the program provides nutrition screening, social, recreational, and health and fitness activities.

#### **NUTRITION FOR THE ELDERLY PROGRAM-HOME DELIVERED MEALS (\$411,500)**

Under Title III-C2 of the Older Americans Act, the State awards funds for the home-delivered portion of the Nutrition for the Elderly Program. This program meets the nutritional needs of elderly persons by delivering daily meals to those who cannot be transported to congregate sites due to poor health. In addition to meals, clients receive nutrition and other needs screenings.

#### **PUBLIC GUARDIANSHIP (\$82,700)**

This program provides case management for individuals referred by the Maryland Office on Aging and for whom the Department's Director has been appointed Guardian. The Department confers and coordinates with, and requests assistance from, other provider agencies and prepares annual and semi-annual reports for each case.

#### **SENIOR ASSISTED HOUSING (\$347,500)**

This is a program of residential living providing shelter, meals, housekeeping, personal services and 24-hour supervision to individuals at least 62 years of age who have temporary or periodic difficulties with the activities of daily living and require assistance in performing those personal and household functions. The funds shown here, from the Maryland Office on Aging, support coordinating activities necessary to approve facilities for certification and for monitoring visits.

#### **SENIOR HEALTH PROMOTION - TITLE III F (\$24,500)**

This section of the Federal Older Americans Act provides funds to promote health awareness and wellness among older Americans.

#### **SENIOR INFORMATION AND ASSISTANCE (\$103,000)**

This program, funded through the Maryland Office on Aging, offers a single point of contact for senior citizens who need information and assistance to deal with complex and continually changing service structures and rules. The program also includes follow-up to ensure adequate service delivery and to identify gaps in service.

#### **FOSTER GRANDPARENT PROGRAM (\$278,000)**

The Foster Grandparent Program, funded by ACTION, employs low-income senior citizens as foster grandparents to work with physically, mentally and emotionally handicapped children in centers throughout the County. These children would otherwise not receive the personal attention necessary for their social adjustment and maturation. Approximately 235 children are served at 12 schools throughout the County by 70 foster grandparents.

### **RETIRED SENIOR VOLUNTEER PROGRAM (\$122,800)**

The Retired Senior Volunteer Program (RSVP), funded by the Corporation for National Service, develops volunteer service opportunities in County government and with non-profit agencies for approximately 600 older Prince Georgians (55+). Volunteers serve on a part-time basis, and are compensated for out-of-pocket expenses only. Federal funds from the grantor and some County dollars support administration of the program and the volunteer expenses.

### **SENIOR HEALTH INSURANCE COUNSELING AND ADVOCACY (\$35,500)**

This program, funded through the Maryland Office on Aging, supports trained volunteers who provide health insurance counseling to seniors.

### **AREA AGENCY ON AGING (\$679,300)**

The Area Agency on Aging is funded through the Older Americans Act, under Title III-B. This grant from the U.S. Department of Health and Human Services, supports comprehensive planning, monitoring and evaluation of all senior citizen programs in the County. An integral function of the Area Agency is to sub-grant funds to various agencies furnishing a variety of services, including legal assistance, information and referral, day care for the frail, health fitness, rural outreach, tax assistance, foster-home care, respite care and ombudsman services.

### **CURB ABUSE MEDICARE/MEDICAID (\$16,000)**

The purpose of this program is to reduce the amount of federal and state funds lost due to health insurance fraud by increasing the public's ability to detect and report possible fraud, waste and abuse.

### **MARYLAND INFANTS AND TODDLERS GRANT (\$1,641,800)**

The Commission for Persons with Disabilities, under an agreement with the State of Maryland, serves as the lead agency responsible for coordinating early intervention services for developmentally delayed infants and toddlers (aged 0-3) and their families. Programs and services coordinated by the Department include audiology, family training, counseling, home visits, health services, medical services, nursing services, nutrition services, occupational therapy, physical therapy, psychological services, transportation, social work services, special instruction, speech-language pathology and respite care. The lead agency also maintains a tracking system for eligible children whose families want them to receive services. The majority of the grant is expended through subgrants, including a major grant to the Board of Education.

### **SYSTEMS REFORM INITIATIVE (\$9,607,700)**

The Systems Reform Initiative is a demonstration project established in 1989 to restructure the delivery of services to more effectively meet the needs of children and families. The mission of this program is to preserve the family unit through the interagency coordination of prevention, education, intervention, and follow-up services for at-risk families and to improve service to youth being treated in out-of-state facilities for emotional disturbances by returning them, with appropriate support services, either to their families or to a residential setting within the local community.

Local agencies participating in the Initiative include the Departments of Health, Social Services, Family Services, the Board of Education and various elements of the courts and juvenile justice system. Two Department Divisions (Children, Youth and Families and Family Connection) receive their funding from the Maryland Office for Children, Youth and Families for these services. \$5 million of the amount shown represents costs of a five-year Community Partnership Agreement.

### **VULNERABLE ELDERLY (\$44,900)**

This grant provided by the Maryland Department of Aging will increase the capacity of the Ombudsman programs to investigate and resolve complaints made by or on behalf of long term care residents. Ombudsman services will expand by ten (10) hours per week to the 19 County nursing homes.

### **OMBUDSMAN INITIATIVE (\$147,200)**

The Ombudsman initiative is funded by the Maryland Department of Aging. The purpose of this program is to investigate and resolve non-medical complaints made by residents or others on behalf of residents ensuring the patient's Bill of Rights is upheld.

### **MEDICAID WAIVER (\$301,700)**

This program will expand Medicaid payment to eligible adults age 50 and older for in-home services or in Assisted Living Facilities as an alternative to nursing home placement.

### **MENTAL HEALTH AUTHORITY/CORE SERVICE AGENCY (\$4,027,500)**

The Core Service Agency continues to be responsible for long-range planning for mental health services, for needs assessments, and for development of alternative resource providers. Additionally, these funds represent grants to public or private providers for services to targeted populations.

### **CAREGIVING (\$176,900)**

Funds are to be used for providing services to caregivers through existing programs. Services to caregivers include information, assistance, individual counseling, organization of support groups, training to caregivers, respite care and supplemental services.

### **INFORMATION TECHNOLOGY (\$9,000)**

Funds are provided toward the Advanced Information System (AIS), a computerized client database and tracking system. AIS is compatible with the Federal required NARIS format, and will be used to track the Older Americans Act Programs.

## **Department of Social Services**

### **MINOR GRANTS (\$20,000)**

These funds represent small, unanticipated awards generally for specific one-time efforts.

### **SUMMER FOOD PROGRAM (\$400,000)**

Maryland Department of Education grant funds provide breakfasts and lunches for disadvantaged children at more than 60 sites, including recreation centers, throughout the County over a six-week period.

### **MARYLAND JOBS INITIATIVE (\$5,572,300)**

Funds from the Maryland Department of Human Resources will support costs of providing employment-related assistance to clients of various benefit programs. Job development, referrals, placements, and job-seeking skills training are some of the components of this initiative, which seeks to reduce welfare dependency through employment. Approximately this level of funding has been available to organizations in Prince George's County in past years but has been spent through State contracts with vendors.

### **MARYLAND ENERGY ASSISTANCE PROGRAM (MEAP)/(EUSP) (\$370,000)**

MEAP is funded through the Maryland Department of Human Resources and provides assistance to low-income families in meeting the high costs of winter energy bills. Benefits are distributed to utilities, fuel suppliers and landlords on behalf of needy families (those with incomes at or below 150% of the Federal Poverty Level).

### **TRANSITIONAL HOUSING V,VI ATOP (\$1,768,900)**

Consolidated management of the three Federal grant programs from the U.S. Department of Housing and Urban Development provides housing and appropriate supportive services for individuals and families in transition

from emergency housing to permanent housing. Families are given up to two years of shelter during which time individualized plans for self-sufficiency are developed and treatment and/or training occurs.

#### **EMERGENCY SHELTER (\$242,000)**

This Federal grant offsets costs of shelter and supportive services in emergency and transitional shelter programs including the Shepherd's Cove and Prince George's House homeless shelters and the Warm Nights Initiative which provides church-based shelter during winter months.

#### **HOMELESSNESS PREVENTION PROGRAM (\$52,000)**

Funds from the Maryland Department of Human Resources provide assistance in landlord-tenant mediation, tenant education and limited one-time cash assistance to prevent evictions leading to homelessness. The program strives to avert 30% or more of evictions of program clients.

#### **SERVICE LINKED HOUSING PROGRAMS (\$181,900)**

Funds from the Maryland Department of Human Resources assist in development of community organizations' capacity to meet housing needs for homeless or at-risk persons. This grant will provide resident advocates for individuals and families in emergency shelter and transitional housing. The eventual goal of the program is for the client to transition into a stable housing environment.

#### **PRINCE GEORGE'S HOUSE TRANSITION CENTER (\$116,200)**

Through this grant transition support services will be offered to single men. These services will be delivered through the Prince George's House Emergency Shelter, and will include case management, employment and training assistance, and housing placement services, all designed to help the clients move to self-sufficiency.

#### **PROJECT STEP DOWN (\$300,000)**

This grant creates an interagency service for high-risk families. The goal of the program is to maintain the child in their own home for 80% of the families served or to obtain placement in the least restrictive environment within the State. While keeping the family intact, efforts will be made to insure that additional reports of abuse or neglect are prevented.

#### **CHILD AND ADULT FOOD CARE PROGRAM (\$48,000)**

This grant is intended to ensure that children in shelter environments receive nutritious meals by providing reimbursement for each meal that is served.

#### **DC CHILD PLACEMENT (\$114,400)**

This program provides grant funds to assist in the coordination of insuring the safety of District foster children placed in County homes.

#### **FIP DEMONSTRATION (\$180,000)**

The grant provides current and former TCA customers with career development and job advancement skills.

#### **OIG FRAUD INVESTIGATION (\$200,000)**

Funds support four investigator positions that will investigate possible fraud in child care program.

#### **FAMILY CAREGIVERS (\$54,000)**

This grant provides respite care services for caregivers.

### **CHILDRENS TRUST FUND (\$25,000)**

This program focuses on increasing public awareness and improving understanding of the dynamics of child abuse and neglect.

### **FOOD STAMP PAYMENT ACCURACY INITIATIVE (\$91,000)**

This grant will support efforts to review and correct food stamp cases in an attempt to reduce the overall error rate in the distribution of these benefits.

### **EMERGENCY FOOD ASSISTANCE-TFAP (\$58,000)**

This program offers food to families in dire need by distributing commodities to a network of approximately fifty pantries throughout the County. The program is targeted to households receiving TCA, Food Stamps or the Energy Program, or other low-income households. Participants can tap this resource once per month.

### **EMERGENCY FOOD AND SHELTER-FEMA (\$190,000)**

This grant, funded by the Federal Emergency Management Agency (FEMA), provides crisis assistance for rental, mortgage and utility assistance for low-income households to prevent homelessness.

### **ADOPTION MEDIATION GRANT (\$248,800)**

This Federally funded grant provides funding to support adoption mediation.

## **Health Department**

The majority of Health Department grants are awarded through the unified grant award process of the Maryland Department of Health and Mental Hygiene (DHMH). Through this process, Federal and State general funds allocated through the State budget to the various administrations (Local Health, Alcohol and Drug, Mental Hygiene, etc.) for local grant programs are detailed on a monthly award report, which also provides for changes in award amounts. Grants not awarded through the DHMH unified grant process are available from a variety of sources including various State Commissions, other public institutions and governments. The largest single non-DHMH grant program is the Ryan White Comprehensive Care Grant, for which eleventh-year funds are included in this document.

### **DIVISION OF ADMINISTRATION (\$96,400)**

An allocation of \$60,000 for unanticipated minor grant awards is included here along with anticipated awards, which may not be readily assigned to other Divisions of the Department.

### **DIVISION OF MATERNAL AND CHILD HEALTH (\$7,581,600)**

These grant programs serve the needs of at-risk populations of infants, youth and mothers with young children through early diagnostic screening, treatment, case management and nutrition programs. Significant emphasis is placed on ensuring access to care for uninsured and underinsured pregnant women and children through the HealthLine Media Campaign (\$275,000) by providing referral and appointment services to health care providers.

The WIC (Women, Infants & Children) nutrition program, budgeted at over \$2.0 million anticipates serving 15,000 women and children who are financially eligible and nutritionally at risk. Clients receive food vouchers for particular types of nutritional needs, such as infant formula.

### **DIVISION OF ADDICTIONS (\$13,252,500)**

Grants in this Division provide outpatient treatment services for addicted adults, adolescents and families, and prevention services for high risk-youth. Other addiction programs include community-based services and efforts to reduce HIV exposure. The Addictions Treatment grant, budgeted at \$5,451,100, provides outpatient treatment services and contracts with a private vendor for residential treatment services which provide a continuum of services

ranging from intensive inpatient services to transitional community living. The Medical Assistance Administration of the Maryland Department of Health and Mental Hygiene will reimburse estimated costs for clients of the Children and Parents Program, formerly the Center for Addictions and Pregnancy. The Program serves women to improve their health and that of the infants, which reduces the immense cost of neonatal care for premature births.

The addictions expansion program budgeted at \$3.0 million will provide for implementation of additional services to fill critical gaps in services for addicted clients and will significantly enhance substance abuse prevention efforts.

#### **DIVISION OF ENVIRONMENTAL HEALTH (\$30,000)**

Grant supports extensive outreach to the community regarding the dangers of lead poisoning and assists in environmental case management to children with high blood lead levels and the enforcement of abatement regulations.

#### **DIVISION OF ADULT AND GERIATRIC HEALTH (\$6,048,900)**

Grant funding is used to evaluate the needs of elderly individuals at risk of institutionalization, to purchase services to prevent their placement in a nursing home or other health care facility, and to transport Medical Assistance patients to medical appointments. Medical Assistance reimbursement of a projected 81,000 trips is budgeted at \$2.7 million. Improving access to appropriate cancer screenings is a major emphasis for FY2004 in these grant programs with over \$1.6 million for Colorectal Cancer Screening and Treatment Services.

#### **DIVISION OF EPIDEMIOLOGY AND DISEASE CONTROL (\$3,886,200)**

Grant funds support necessary services to individuals with specific types of communicable diseases, and the investigation and control of the spread of these diseases in the community. The Migrant/Refugee Health grant provides TB screening and coordination of treatment in the area of HIV/AIDS. In particular, grant funding supports a variety of services, including HIV antibody testing at Health Department clinics, counseling of infected individuals, case management and community-based care, diagnostic evaluation for persons with HIV infection, and extensive community education activities.

#### **OFFICE OF THE HEALTH OFFICER (\$6,518,400)**

Grant funding is used for comprehensive care services to HIV patients eligible for services under the eleventh year award of the Ryan White grant of \$6.5 million. Private community-based organizations provide a wide range of services to infected persons or their care-givers through the use of sub-grants. The Division of Epidemiology and Disease Control is one of the sub-grantees and provides clinical services to patients. Several other local Health Departments also receives sub-grants for services as do a number of local Social Services Departments for case management and other services.

### **Department of Housing and Community Development**

The Department coordinates a wide range of Federal and State housing programs designed to assist in meeting the needs of County citizens, especially the moderate-income population that is not generally served by the private housing market. These programs are centered on community rehabilitation and neighborhood revitalization. In addition, the Department is committed to making Prince George's County a model for safe and clean neighborhoods by creating economic opportunities for all citizens, increasing homeownership for first-time purchasers, improving the quality of affordable rental housing, and offering a high level of public services. Prince George's County programs are comprehensive, community driven, and designed to develop, enhance and sustain social networks and positive changes in communities.

#### **HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) (\$2,514,100)**

Funding will support rental and emergency assistance through a voucher system to individuals and families with AIDS in the suburban Maryland jurisdictions of Prince George's, Calvert, Charles, Frederick, and Montgomery

Counties. FY2004 will be the eleventh year the Department has received this grant from the U. S Department of Housing and Urban Development.

#### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) (\$8,300,200)**

Funding will support a broad range of physical improvements for those areas of the County designated for redevelopment and revitalization. Major programs support infrastructure improvements, public housing renovations and modernization, handicapped accessibility improvements, employment and educational training, job creation and retention for low and moderate-income people and businesses, health care, and general assistance to immigrants, the elderly and the homeless. Funding shown above include the Housing Preservation Fund.

#### **MARYLAND HOUSING REHABILITATION GRANT (\$550,000)**

Funding will support low interest housing rehabilitation loans for low and moderate-income owner/occupants of single family housing and owners of lower income rental properties throughout the County. The focus is to bring properties up to applicable building codes and Federal, State and local housing standards. FY2004 funding will be provided by the Maryland Department of Housing and Community Development.

#### **WEATHERIZATION ASSISTANCE PROGRAM (\$250,000)**

Funding will support rehabilitation (weatherization) to the homes of low-income persons to increase the energy efficiency of their dwellings. Assistance will include the repair and/or replacement of insulation, storm doors and windows, caulking, weather-stripping, and major energy consuming appliances. Households headed by a senior citizen receive priority.

#### **HOME INVESTMENT PARTNERSHIP (HOME) (\$4,025,000)**

Funding will support profit and non-profit developers to develop and/or rehabilitate housing units for low and moderate-income persons. HOME funds will assist first-time homebuyers to purchase homes, and nonprofits to acquire or improve group homes for special populations. HOME funds will also support Community Housing & Development Organizations (CHDOs) to create and support housing opportunities for households of limited income. Ninety percent of the funds must be used to develop housing.

#### **PUBLIC HOUSING CAPITAL FUND (\$775,500)**

Funding will support needed physical improvements and upgrades at public housing sites. These expenditures are non-routine and include costs such as modernizing heating and cooling equipment and/or improving parking lots at public housing facilities. This program was formerly called the Modernization Program.

#### **CONVENTIONAL HOUSING (\$2,568,700)**

Funding will support the management of the County's public housing sites: Ownes Road (123 units), Marlborough Towne (63 units), Kimberly Gardens (50 units), and Cottage City (100 units). Project managers are assigned to each housing site for senior citizens to assist residents and ensure that the building is properly maintained.

#### **ROLLINGCREST VILLAGE (\$215,000)**

Funding will support the maintenance and management of 40 units of public housing for qualified elderly residents.

#### **HOMEOWNERSHIP (MARCY AVENUE) (\$13,800)**

Funding will support homeownership opportunities for families that rent units with options to purchase one of 50 townhouses managed by the Department. A portion of the family's rent is escrowed toward a down payment and settlement. Funding is provided by the U. S. Department of Housing and Urban Development.

### **BOND PROGRAM (\$600,000)**

The Bond Program is revenue received from the interest earned from the sale of bonds sold by the Housing Authority of Prince George's County. This revenue will support various rehabilitation and revitalization activities associated with single and multi-family housing units.

#### **SECTION 8**

**(HOUSING CHOICE VOUCHER; MODERATE; SUBSTANTIAL) (\$39,503,100; \$1,759,400;  
\$4,488,600)**

Funding will support voucher programs where the participants pay a minimum of their adjusted gross income for rent and the Federal government, through the use of a voucher, pays the remainder. Participating families are able to select the housing of their choice, provided the rent is reasonable and falls within the program's limits.

### **RENTAL ALLOWANCE PROGRAM (RAP) (\$136,700)**

Funding will support fixed monthly rental assistance payments to eligible lower-income homeless residents and to households with critical and emergency housing needs. RAP is funded by the State of Maryland and administered through the Community Development Administration (CDA), a division of the Maryland Department of Housing and Community Development. In addition, in partnership with the Department of Social Services (DSS), the County provides priority assistance to residents of emergency shelters placed in the SDD Transitional Housing Program (THP). RAP payments are used to "match" Federal funds received by the County for supportive housing programs.

### **SUGAR HILL TOWNHOUSES (\$72,000)**

Funding will support the management and maintenance of 11 single-family homes in Upper Marlboro, owned by the Housing Authority.

### **CORAL GARDENS TOWNHOUSE (\$82,500)**

Funding will support the maintenance and management of 16 townhouse units, in Capitol Heights, owned by the Housing Authority.

### **Non-Departmental**

### **UNANTICIPATED GRANT AWARDS (\$1,000,000)**

An appropriation for grant awards not anticipated in the budget is used to allow grant program start-up prior to County Council approval of supplementary appropriations. This appropriation is used only in situations where grant funds potentially could be lost if grant programs are not implemented expeditiously. The County Council is notified of the use of this appropriation.

**GRANT PROGRAMS  
FISCAL YEAR 2004**

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
<b><u>GENERAL GOVERNMENT</u></b>							
<b>HUMAN RELATIONS COMMISSION (03)</b>							
EEOC Worksharing Agreement	10/03-9/04	\$ 226,200	\$ 0	\$ 226,200	\$ 112,000	\$ 0	\$ 114,200
Community Relations/Mediation Services	10/03-9/04	88,000	0	88,000	0	79,100	6,900
Human Relations Award Program	7/03-6/04	35,000	0	35,000	0	0	35,000
Leadership Prince George's	7/03-6/04	123,800	0	123,800	0	0	123,800
<b>HUMAN RELATIONS FY2004 TOTALS</b>		\$ 471,000	\$ 0	\$ 471,000	\$ 112,000	\$ 79,100	\$ 279,900
<b>OFFICE OF PERSONNEL AND LABOR RELATIONS (22)</b>							
Senior Aide Employment	7/03-6/04	\$ 392,900	\$ 60,000	\$ 332,900	\$ 332,900	\$ 0	\$ 0
<b>OFFICE OF PERSONNEL AND LABOR RELATIONS FY2004 TOTALS</b>		\$ 392,900	\$ 60,000	\$ 332,900	\$ 332,900	\$ 0	\$ 0
<b><u>CRIMINAL/CIVIL JUSTICE</u></b>							
<b>CIRCUIT COURT (05)</b>							
Family Division Legislative Initiative Grant	7/03-6/04	\$ 1,555,000	\$ 0	\$ 1,555,000	\$ 1,555,000	\$ 0	\$ 0
Cooperative Reimbursement Agreement	7/03-6/04	364,800	0	364,800	-	364,800	0
<b>CIRCUIT COURT FY2004 TOTALS</b>		\$ 1,919,800	\$ 0	\$ 1,919,800	\$ 1,555,000	\$ 364,800	\$ 0
<b>OFFICE OF THE STATE'S ATTORNEY (07)</b>							
Stop Violence Program	7/03-6/04	115,800	0	115,800	115,800	0	0
Homicide Survivors Support Group	7/03-6/04	46,700	0	46,700	46,700	0	0
District Court Screening Program	7/03-6/04	50,000	0	50,000	50,000	0	0
Victims of Crime Assistance - VOCA Program	7/03-6/04	39,700	0	39,700	39,700	0	0
Prince George's County Teen Court (Hot-Spot-JAIB)	7/03-6/04	172,700	0	172,700	172,700	0	0
<b>OFFICE OF THE STATE'S ATTORNEY FY2004 TOTALS</b>		\$ 424,900	\$ 0	\$ 424,900	\$ 424,900	\$ 0	\$ 0
<b>OFFICE OF THE SHERIFF (55)</b>							
Child Support Enforcement	7/03-6/04	\$ 1,297,100	\$ 384,000	\$ 913,100	\$ 913,100	\$ 0	\$ 0
Hotspots Grants	7/03-6/04	\$ 64,300	0	64,300	0	64,300	0
Domestic Violence- MD Victims of Crime	7/03-6/04	\$ 49,800	0	49,800	0	49,800	0
<b>OFFICE OF THE SHERIFF FY2004 TOTALS</b>		\$ 1,411,200	\$ 384,000	\$ 1,027,200	\$ 913,100	\$ 114,100	\$ 0
<b>DEPARTMENT OF CORRECTIONS (56)</b>							
High Intensity Drug Trafficking Area Grant	1/04-12/04	\$ 302,900	\$ 0	\$ 302,900	\$ 302,900	\$ 0	\$ 0
Community Service Program Grant	7/03-6/04	\$ 168,000	\$ 0	\$ 168,000	\$ 0	\$ 88,000	\$ 80,000
<b>DEPARTMENT OF CORRECTIONS FY2004 TOTALS</b>		\$ 470,900	\$ 0	\$ 470,900	\$ 302,900	\$ 88,000	\$ 80,000

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
<b><u>PUBLIC WORKS &amp; ENVIRONMENTAL RESOURCES</u></b>							
DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION (66)							
Ridesharing Program (DOT)	7/03-6/04	\$ 269,200	\$ 0	\$ 269,200	\$ 215,400	\$ 53,800	\$ 0
DEPARTMENT OF PUBLIC WORKS & TRANSPORTATION FY2004 TOTALS		\$ 269,200	\$ 0	\$ 269,200	\$ 215,400	\$ 53,800	\$ 0
DEPARTMENT OF ENVIRONMENTAL RESOURCES (54)							
Animal Management Volunteer/Humane Education	5/03-4/04	\$ 3,000	\$ 0	\$ 3,000	\$ 3,000	\$ 0	\$ 0
Chesapeake Bay Critical Area (MD DNR)	7/03-6/04	42,000	0	42,000	0	42,000	0
MDR/NOAA	1/04-6/04	20,000	10,000	10,000	0	10,000	0
National Fish & Wildlife	8/03-7/04	25,000	0	25,000	0	25,000	0
Hazard Mitigation Plan Development	1/04-12/04	75,000	0	75,000	75,000	0	0
Chesapeake Bay Trust	1/04-8/04	20,000	10,000	10,000	0	10,000	0
Septic System GIS Database	4/03-3/04	80,100	40,100	40,000	40,000	0	0
Septic System (Areas of Concern)	4/03-3/04	43,700	22,000	21,700	21,700	0	0
Upper Patuxent River LID Retrofit	4/03-3/04	16,000	0	16,000	16,000	0	0
FEMA (GIS Topographic Layers)	4/03-4/04	358,500	169,000	169,500	89,500	80,000	0
Project Impact	10/03-9/04	315,000	0	315,000	315,000	0	0
Cooperative Technical Communities	10/03-9/04	139,500	0	139,500	139,500	0	0
Anacostia River Flood Warning	9/02-3/04	250,000	62,500	187,500	0	187,500	0
DEPARTMENT OF ENVIRONMENTAL RESOURCES FY2004 TOTALS		\$ 1,387,800	\$ 333,600	\$ 1,054,200	\$ 699,700	\$ 354,500	\$ 0
<b><u>PUBLIC SAFETY</u></b>							
POLICE DEPARTMENT (50)							
Alcohol/Drug Highway Safety Program	10/03-9/04	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000	\$ 0	\$ 0
Alcohol, Tobacco, Firearms Task Force	10/03-9/04	20,000	0	20,000	20,000	0	0
Commercial Vehicle Safety Plan	7/03-6/04	5,000	0	5,000	5,000	0	0
Bulletproof Vest Partnership	7/03-6/04	25,000	0	25,000	25,000	0	0
Vehicle Theft Abatement Program	7/03-6/04	200,000	0	200,000	0	200,000	0
FBI Task Forces	10/03-9/04	72,000	0	72,000	72,000	0	0
Alcohol/Drug Highway Safety Program/LEL	7/03-6/04	306,100	174,600	131,500	0	131,500	0
DEA: Cross Border Task Force	10/03-9/04	50,000	0	50,000	50,000	0	0
Civil Disturbance	7/03-6/04	25,000	0	25,000	25,000	0	0
Metropolitan Area Task Force	10/03-9/04	50,000	0	50,000	50,000	0	0
COPS in Schools	7/02-6/03	743,900	0	743,900	743,900	0	0
FBI Joint Terrorism Task Force	7/03-6/04	11,000	0	11,000	11,000	0	0
Hotspots Communities Initiative	7/03-6/04	150,000	0	150,000	150,000	0	0
Block Grant #8	7/03-6/04	1,571,000	0	1,571,000	1,571,000	0	0
Anti Drug Initiative	7/03-6/04	50,000	0	50,000	50,000	0	0
Creating a Culture of Integrity	7/03-6/04	70,000	0	70,000	70,000	0	0
School Bus Safety Enforcement	7/03-6/04	35,000	0	35,000	0	35,000	0
Operation Dealers	10/03-9/04	312,000	0	312,000	312,000	0	0

\*Total Program Spending is the total of County Cash and Total Outside Sources.

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
U.S. Customs Task Force	10/03-9/04	13,000	0	13,000	13,000	0	0
US Customs/HIDTA	10/03-9/04	9,000	0	9,000	9,000	0	0
Unanticipated Grants/Task Forces	7/03-6/04	300,000	0	300,000	0	0	300,000
<b>POLICE DEPARTMENT FY2004 TOTALS</b>		<b>\$ 4,418,000</b>	<b>\$ 174,600</b>	<b>\$ 4,243,400</b>	<b>\$ 3,576,900</b>	<b>\$ 366,500</b>	<b>\$ 300,000</b>

#### HUMAN SERVICES

##### DEPARTMENT OF FAMILY SERVICES (37)

Nutrition for the Elderly Title IIIC-1 Congregate (HHS/04)	10/03-09/04	823,900	25,000	798,900	505,500	65,000	228,400
Nutrition for the Elderly Title IIIC-2 Home-Delivered (HHS)	10/03-09/04	411,500	43,100	368,400	248,400	43,300	76,700
Public Guardianship (Maryland Office of Aging)	07/03-06/04	82,700	32,000	50,700	0	50,700	0
Senior Assisted Housing	07/03-06/04	347,500	0	347,500	0	347,500	0
Senior Health Promotion Title IIIF	10/03-09/04	24,500	0	24,500	24,500	0	0
Senior Information & Assistance (Maryland Office of Aging)	07/03-06/04	103,000	17,800	85,200	0	85,200	0
Foster Grandparent Program (Action)	01/04-12/04	278,000	33,000	245,000	245,000	0	0
Retired Senior Volunteers (RSVP)	07/03-06/04	122,800	45,400	77,400	77,400	0	0
Senior Health Insurance Counseling	10/03-09/04	35,500	11,400	24,100	24,100	0	0
Area Agency on Aging Title IIIB	10/03-09/04	679,300	160,600	518,700	518,700	0	0
Curb Abuse Medicare/Medicaid (CMM)	10/03-09/04	16,000	0	16,000	0	16,000	0
Maryland Infant & Toddlers	07/03-06/04	1,641,800	0	1,641,800	965,900	675,900	0
System Reform Initiative/ Office of the Commission for Children, Youth & Families/Family Connection	07/03-06/04	9,607,700	0	9,607,700	0	9,607,700	0
Ombudsman Initiative	07/03-06/04	147,200	0	147,200	0	147,200	0
Medicaid Waiver	10/03-09/04	301,700	0	301,700	150,900	150,800	0
Vulnerable Elderly	07/03-06/04	44,900	0	44,900	0	44,900	0
Caregiving	10/03-09/04	176,900	0	176,900	176,900	0	0
Information Technology	07/03-06/04	9,000	0	9,000	0	9,000	0
Core Service Agency	07/03-06/04	4,027,500	0	4,027,500	1,640,800	2,386,700	0
<b>DEPARTMENT OF FAMILY SERVICES FY2004 TOTALS</b>		<b>\$ 18,881,400</b>	<b>\$ 368,300</b>	<b>\$ 18,513,100</b>	<b>\$ 4,578,100</b>	<b>\$ 13,629,900</b>	<b>\$ 305,100</b>

\*Total Program Spending is the total of County Cash and Total Outside Sources.

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
<b>DEPARTMENT OF SOCIAL SERVICES (93)</b>							
Minor Grants	07/03-06/04	\$ 20,000	\$ 0	\$ 20,000	\$ 10,000	\$ 10,000	\$ 0
Maryland Jobs Initiative	07/03-06/04	5,572,300	0	5,572,300	5,572,300	0	0
Emergency Shelter Grant	07/03-06/04	242,000	0	242,000	242,000	0	0
Transitional Housing VI	07/02-06/03	505,400	0	505,400	450,800	54,600	0
Transitional Housing V	9/03-8/04	769,400	38,200	731,200	675,700	38,800	16,700
Transitional Housing-ATOP	07/02-06/03	494,100	0	494,100	468,100	14,000	12,000
Homeless Prevention Program	07/03-06/04	52,000	0	52,000	0	52,000	0
Service Linked Housing Programs	07/03-06/04	181,900	0	181,900	0	181,900	0
Maryland Energy Assistance Program	07/03-06/04	370,000	0	370,000	192,400	177,600	0
Summer Food Services for Children	07/03-06/04	400,000	0	400,000	400,000	0	0
Prince George's House Transition Center	07/02-06/03	116,200	0	116,200	116,200	0	0
Project Step Down	07/03-06/04	300,000	0	300,000	0	300,000	0
Child and Adult Food Care Program	10/03-09/04	48,000	0	48,000	48,000	0	0
Food Stamp Payment Accuracy	07/03-06/04	91,000	0	91,000	91,000	0	0
Emergency Food Assistance (TFAP)	10/03-09/04	58,000	0	58,000	0	58,000	0
DC Child Placement Services Grant	7/03-6/04	114,400	0	114,400	114,400	0	0
Children's Trust Fund	7/03-6/04	25,000	0	25,000	0	25,000	0
FIP Demonstration	7/3-6/04	180,000	0	180,000	0	180,000	0
OIG Fraud Investigation	7/03-6/04	200,000	0	200,000	0	200,000	0
Family Caregivers	7/03-6/04	54,000	0	54,000	54,000	0	0
Emergency Food and Shelter (FEMA)	10/03-09/04	190,000	0	190,000	190,000	0	0
Adoption Mediation	10/03-09/04	248,800	0	248,800	248,800		
<b>DEPARTMENT OF SOCIAL SERVICES FY2004 TOTALS</b>		<b>\$ 10,232,500</b>	<b>\$ 38,200</b>	<b>\$ 10,194,300</b>	<b>\$ 8,873,700</b>	<b>\$ 1,291,900</b>	<b>\$ 28,700</b>
<b>HEALTH DEPARTMENT (70)</b>							
<u>Division of Administration</u>							
Minor Grants	07/03-06/04	60,000	0	60,000	30,000	30,000	0
Laboratory Administration Grant	07/03-06/04	36,400	0	36,400	0	36,400	0
<u>Total, Division of Administration</u>		96,400	0	96,400	30,000	66,400	0
<u>Division of Maternal and Child Health</u>							
PWC/MKC Eligibility & Outreach (was Adolescent Program)	07/03-06/04	\$ 1,527,300	\$ 0	\$ 1,527,300	\$ 763,700	\$ 763,600	\$ 0
Women, Infants & Children (WIC)	07/03-06/04	2,058,100	0	2,058,100	2,058,100	0	0
Improved Pregnancy Outcomes Grant	07/03-06/04	152,200	0	152,200	152,200	0	0
Southern MD Perinatal Partnership	07/03-06/04	153,600	0	153,600	0	153,600	0
Teen Pregnancy Prevention	07/03-06/04	133,000	0	133,000	0	133,000	0
Administrative Care Coordination Grant (was EPSDT)	07/03-06/04	1,200,000	0	1,200,000	603,000	597,000	0
High Risk Infant	07/03-06/04	139,200	0	139,200	117,600	0	21,600

\*Total Program Spending is the total of County Cash and Total Outside Sources.

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
Healthy Teens/Young Adults	07/03-06/04	416,400	0	416,400	0	416,400	0
Immunization Action Project	07/03-06/04	198,900	0	198,900	198,900	0	0
Infants and Toddlers Program	07/03-06/04	375,100	0	375,100	115,100	0	260,000
Adam's House Interagency	07/03-06/04	151,900	0	151,900	0	151,900	0
Reproductive Health	07/03-06/04	723,600	0	723,600	666,600	0	57,000
Reproductive Health Supply	07/03-06/04	20,000	0	20,000	0	20,000	0
HealthLine Media Campaign	07/03-06/04	275,000	0	275,000	275,000	0	0
Lead Poisoning	07/03-06/04	57,300	0	57,300	0	57,300	0
<u>Division of Maternal &amp; Child Health Totals</u>		\$ 7,581,600	\$ 0	\$ 7,581,600	\$ 4,950,200	\$ 2,292,800	\$ 338,600
<u>Division of Addictions and Mental Health</u>							
OASIS Youth Program	07/03-06/04	159,200	54,900	104,300	0	76,600	27,700
Path Homeless	07/03-06/04	57,900	0	57,900	0	0	57,900
Addictions Treatment	07/03-06/04	5,451,100	0	5,451,100	1,352,000	3,789,700	309,400
Driving While Intoxicated Residential Treatment	07/03-06/04	231,300	0	231,300	6,500	224,800	0
Drug and Alcohol Prevention	07/03-06/04	248,000	0	248,000	204,300	43,700	0
Children and Parents Program	07/03-06/04	1,278,700	100,000	1,178,700	221,800	551,000	405,900
Addictions Homeless Project	07/03-06/04	377,200	0	377,200	0	377,200	0
Mental Health Detention Center	07/03-06/04	60,900	0	60,900	0	60,900	0
Jail Based Treatment Program	07/03-06/04	198,000	0	198,000	0	198,000	0
Tobacco Prevention Project	07/03-06/04	1,095,400	0	1,095,400	0	1,095,400	0
TCA Assessment Project	07/03-06/04	457,800	0	457,800	0	457,800	0
Addictions Expansion Project	07/03-06/04	3,086,300	86,300	3,000,000	0	3,000,000	0
Adolescent and Family Treatment	07/03-06/04	238,200	0	238,200	0	238,200	0
House Bill 7	07/03-06/04	71,000	0	71,000	0	71,000	0
Adolescent Substance Abuse Project-STOP	07/03-06/04	210,000	105,000	105,000	0	105,000	0
Title IV-E Demonstration Project	07/03-06/04	31,500	0	31,500	0	31,500	0
<u>Division of Addictions and Mental Health Totals</u>		\$ 13,252,500	\$ 346,200	\$ 12,906,300	\$ 1,784,600	\$ 10,320,800	\$ 800,900
<u>Division of Adult &amp; Geriatric Health</u>							
Geriatric Evaluation Services	07/03-06/04	\$ 431,500	\$ 0	\$ 431,500	\$ 29,500	\$ 0	\$ 402,000
Senior Hypertension	10/03-9/04	571,000	0	571,000	0	571,000	0
Senior Care System Grant	07/03-06/04	12,000	0	12,000	0	12,000	0
Cancer Screening Program-Early Detection	07/03-06/04	344,900	0	344,900	344,900	0	0
Colorectal Cancer Screening & Treatment	07/03-06/04	1,666,000	0	1,666,000	0	1,666,000	0
Medical Assistance Transportation	07/03-06/04	2,700,000	0	2,700,000	1,350,000	1,350,000	0
Nutrition/Cardiovascular Disease Reduction	07/03-06/04	70,000	0	70,000	70,000	0	0
Cancer Outreach	07/03-06/04	253,500	0	253,500	0	253,500	0
<u>Division of Adult &amp; Geriatric Health Totals</u>		\$ 6,048,900	\$ 0	\$ 6,048,900	\$ 1,794,400	\$ 3,852,500	\$ 402,000

\*Total Program Spending is the total of County Cash and Total Outside Sources.

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
<u>Division of Epidemiology &amp; Disease Control</u>							
TB Cooperative Agreement	07/03-06/04	\$ 291,600	\$ 0	\$ 291,600	\$ 291,600	\$ 0	\$ 0
Refugee Resettlement	07/03-06/04	68,000	0	\$ 68,000	68,000	0	0
STD Caseworker	07/03-06/04	262,000	0	262,000	262,000	0	0
TB Migrant Refugee Health	07/03-06/04	50,500	0	50,500	50,500	0	0
STD Partner Notification	07/03-06/04	110,500	0	110,500	110,500	0	0
Hepatitis B Prevention	07/03-06/04	65,500	0	65,500	65,500	0	0
Patient Services	07/03-06/04	298,700	0	298,700	0	283,700	15,000
Regional Aids Education	07/03-06/04	32,000	0	32,000	0	32,000	0
AIDS Regional Health Education/Substance Abuse-Sexual Offender Education	07/03-06/04	28,800	0	28,800	0	27,800	1,000
AIDS Pediatric Grant	07/03-06/04	122,600	0	122,600	122,600	0	0
AIDS - Ryan White Title II	07/03-06/04	908,900	0	908,900	908,900	0	0
HIV Integration	07/03-06/04	85,000	0	85,000	85,000	0	0
Prevention Case Management	07/03-06/04	135,000	0	135,000	135,000	0	0
Project Connect	07/03-06/04	132,200	0	132,200	132,200	0	0
Arbovirus Surveillance	07/03-06/04	12,000	0	12,000	0	12,000	0
Hepatitis C Surveillance	07/03-06/04	52,700	0	52,700	0	52,700	0
Public Health Preparedness	07/03-06/04	529,700	0	529,700	529,700	0	0
Local Prevention Initiatives	07/03-06/04	350,000	0	350,000	350,000	0	0
Minority Outreach-Community Level Prevention	07/03-06/04	350,500	0	350,500	349,500	0	1,000
<u>Division of Epidemiology &amp; Disease Control Totals</u>		\$ 3,886,200	\$ 0	\$ 3,886,200	\$ 3,461,000	\$ 408,200	\$ 17,000
<u>Division of Environmental Health</u>							
Lead Poisoning Prevention	07/03-06/04	\$ 30,000	\$ 0	\$ 30,000	\$ 0	\$ 30,000	\$ 0
<u>Division of Environmental Health Totals</u>		\$ 30,000	\$ 0	\$ 30,000	\$ 0	\$ 30,000	\$ 0
<u>Office of the Health Officer</u>							
Ryan White HIV/AIDS Comprehensive Care Grant	07/03-06/04	6,518,400	0	6,518,400	6,518,400	0	0
<u>Health Officer Totals</u>		\$ 6,518,400	\$ 0	\$ 6,518,400	\$ 6,518,400	\$ 0	\$ 0
<b>HEALTH DEPARTMENT FY2004 TOTALS</b>		<b>\$ 37,414,000</b>	<b>\$ 346,200</b>	<b>\$ 37,067,800</b>	<b>\$ 18,538,600</b>	<b>\$ 16,970,700</b>	<b>\$ 1,558,500</b>
<b>DEPARTMENT OF HOUSING &amp; COMMUNITY DEVELOPMENT (78)</b>							
Housing Opportunities for Persons with AIDS	07/03-06/04	\$ 2,514,100	\$ 0	\$ 2,514,100	\$ 2,514,100	\$ 0	\$ 0
Community Development Block Grant	07/03-06/04	4,146,800	0	4,146,800	4,146,800	0	0
Community Development Block Grant - Admin	07/03-06/04	994,400	0	994,400	994,400	0	0
Maryland Housing Rehab Program	07/03-06/04	550,000	0	550,000	0	550,000	0
Housing Preservation Fund/CDBG Program Admin	07/03-06/04	2,281,600	0	2,281,600	2,281,600	0	0
HOME (Home Investment Partnership)	07/03-06/04	4,025,000	0	4,025,000	4,025,000	0	0
Weatherization Assistance Program	07/03-06/04	250,000	0	250,000	250,000	0	0
Modernization Comprehensive/ Public Housing Capital Fund	07/03-06/04	775,500	0	775,500	775,500	0	0
Conventional Housing	07/03-06/04	2,568,700	0	2,568,700	2,568,700	0	0

\*Total Program Spending is the total of County Cash and Total Outside Sources.

PROGRAM NAME	PROGRAM DATES	TOTAL PROGRAM SPENDING*	COUNTY CASH	TOTAL OUTSIDE SOURCES	FEDERAL CASH	STATE CASH	OTHER CASH
CDBG-Modernization	07/03-06/04	877,400	0	877,400	877,400	0	0
Rollingcrest Village	07/03-06/04	215,000	0	215,000	215,000	0	0
Homeownership (Marcy Avenue)	07/03-06/04	13,800	0	13,800	0	0	13,800
Sugar Hill	07/03-06/04	72,000	0	72,000	72,000	0	0
Coral Gardens	07/03-06/04	82,500	0	82,500	0	0	82,500
Bond Program	07/03-06/04	600,000	0	600,000	0	0	600,000
Section 8 Vouchers/Housing Choice Vouchers	07/03-06/04	39,503,100	0	39,503,100	39,503,100	0	0
Section 8 Moderate Rehab	07/03-06/04	1,759,400	0	1,759,400	1,759,400	0	0
Section 8 Substantial Rehab	07/03-06/04	4,488,600	0	4,488,600	4,488,600	0	0
Rental Allowance Program	07/03-06/04	136,700	0	136,700	0	136,700	0
<b>DEPARTMENT OF HOUSING &amp; COMMUNITY DEVELOPMENT FY2003 TOTALS</b>		<b>\$ 65,854,600</b>	<b>\$ 0</b>	<b>\$ 65,854,600</b>	<b>\$ 64,471,600</b>	<b>\$ 686,700</b>	<b>\$ 696,300</b>
<b>NON-DEPARTMENTAL</b>							
Unanticipated Grant Awards/ Interim Appropriation	07/03-06/04	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000
<b>NON-DEPARTMENTAL FY2004 TOTALS</b>		<b>\$ 1,000,000</b>	<b>\$ 0</b>	<b>\$ 1,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,000,000</b>
<b>TOTAL FY2004 GRANTS</b>		<b>\$ 144,548,200</b>	<b>\$ 1,704,900</b>	<b>\$ 142,843,300</b>	<b>\$ 104,594,800</b>	<b>\$ 34,000,000</b>	<b>\$ 4,248,500</b>

\*Total Program Spending is the total of County Cash and Total Outside Sources.

**FULL TIME STAFFING  
FY2002 – FY2004**

Function/Agency		Budget FY2002	Budget FY2003	Proposed FY2004
<b>General Government</b>				
County Executive's Office	General Fund	44	43	48
	All Funds	44	43	48
County Council	General Fund	86	87	89
	All Funds	86	87	89
Human Relations Commission	General Fund	9	10	10
	All Funds	13	11	11
Personnel Board	General Fund	2	2	2
	All Funds	2	2	2
Citizen Complaint Oversight Panel	General Fund	2	2	2
	All Funds	2	2	2
Office of Finance	General Fund	71	73	72
	All Funds	71	73	72
Office of Community Relations	General Fund	10	10	13
	All Funds	10	10	13
Office of Management & Budget	General Fund	21	20	24
	All Funds	21	20	24
Board of License Commissioners	General Fund	6	6	6
	All Funds	6	6	6
Office of Law	General Fund	55	55	54
	All Funds	55	55	54
Office of Personnel and Labor Relations	General Fund	51	55	54
	All Funds	52	56	55
Office of Information Technology & Communications	General Fund	152	152	161
	All Funds	173	202	208
Board of Elections	General Fund	12	12	13
	All Funds	12	12	13
Office of Central Services	General Fund	167	169	169
	All Funds	237	239	239

Function/Agency		Budget FY2002	Budget FY2003	Proposed FY2004
<b>Criminal/Civil</b>				
Circuit Court	General Fund	135	116	116
	All Funds	166	149	149
Orphans' Court	General Fund	5	5	5
	All Funds	5	5	5
State's Attorney	General Fund	133	136	136
	All Funds	133	136	136
Office of the Sheriff	General Fund	238	235	231
	All Funds	253	250	246
Department of Corrections	General Fund	527	539	529
	All Funds	527	539	529
<b>Public Safety</b>				
Police Department	General Fund	1,686	1,683	1,672
	All Funds	1,686	1,683	1,672
Fire/EMS Department	General Fund	789	786	783
	All Funds	789	786	783
<b>Public Works &amp; Environmental Resources</b>				
Department of Public Works & Transportation	General Fund	282	282	281
	All Funds	378	378	377
Department of Environmental Resources	General Fund	180	181	184
	All Funds	425	421	431
Soil Conservation District	General Fund	9	9	9
	All Funds	9	9	9
<b>Human Services</b>				
Department of Family Services	General Fund	12	12	12
	All Funds	61	58	48
Housing and Community Development	General Fund	10	12	11
	All Funds	106	112	112
Health Department	General Fund	280	279	274
	All Funds	531	527	531
Department of Social Services	General Fund	9	9	10
	All Funds	24	23	32
<b>TOTAL</b>				
	General Fund	4,983	4,980	4,970
	All Funds	5,877	5,894	5,896

# FRINGE BENEFIT COSTS SUMMARY

COST	FY2003 APPROVED	FY2004 PROPOSED	\$ CHANGE	% CHANGE
Maryland State Employees' Pension & Retirement System	\$ 5,012,800	\$ 5,179,400	\$ 166,600	3.3%
Supplemental Retirement Plans	4,131,000	7,731,400	3,600,400	87.2%
Social Security	19,171,100	19,492,700	321,600	1.7%
Police Retirement Plan	12,114,800	18,307,800	6,193,000	51.1%
Fire Retirement Plan	8,583,400	9,806,300	1,222,900	14.2%
Volunteer Firefighters Length of Service Awards Program	1,162,000	1,162,000	0	0.0%
Life Insurance	3,480,600	3,043,600	-437,000	-12.6%
Health Insurance	32,578,500	36,242,800	3,664,300	11.2%
Workers Compensation	4,500,000	6,400,000	1,900,000	42.2%
Unemployment Insurance	200,000	200,000	0	0.0%
Corrections Retirement Plan	2,533,000	2,429,100	-103,900	-4.1%
Sheriff Retirement Plan	870,900	1,170,900	300,000	34.4%
<b>SUBTOTAL</b>	<b>\$ 94,338,100</b>	<b>\$ 111,166,000</b>	<b>\$ 16,827,900</b>	<b>17.8%</b>
Non-General Fund Costs	(16,246,700)	(17,840,900)	(1,594,200)	9.8%
<b>NET GENERAL FUND</b>	<b>\$ 78,091,400</b>	<b>\$ 93,325,100</b>	<b>\$ 15,233,700</b>	<b>19.5%</b>

# THE INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE GEORGE'S COUNTY

## AUTHORITY DESCRIPTION

The Industrial Development Authority of Prince George's County (IDA) is a public building authority through which the County can provide physical facilities on a timely and cost effective basis. The County enters into long-term leases with the Authority as well as joint lease agreements with the Authority and the State or other governmental entities in order to meet its continuing space needs.

The Authority was established pursuant to the Maryland Economic Development Revenue Bond Act and operates on a non-profit basis. It issues tax-exempt bonds to finance public building projects approved by both the County Executive and the County Council. These borrowings are secured by leases with participating public entities. The Authority now serves as a concurrent financing structure with the Prince George's County Revenue Authority and will share the same Board of Directors.

## AUTHORITY ACTIVITIES

Through a cooperative agreement with the State, the Authority completed development of the expanded Prince George's Justice Center Complex. This facility, which opened during 1992, provides space for the Circuit Court and other criminal justice programs in Upper Marlboro. The Authority also provided financing for the State's new District Court facility in Hyattsville, which became operational in 1996. In FY2003, the County is refunding a portion of the lease revenue bonds issued in 1993 for the Upper Marlboro Justice Center and issuing additional bonds in par value of \$21 million to finance an expansion of the Justice Center. The planned expansion includes a proposed 90,000 sq. foot, four-story building interconnected to the existing Marbury Wing of the Justice Center.

## FINANCIAL INFORMATION

	FY2004 Proposed
Duvall Building Debt Service	\$ 251,463
Justice Center Debt Service and Expansion	6,023,150
Hyattsville District Court Debt Service*	<u>1,033,300</u>
Total - Debt Service	\$7,307,913
County Contribution for Bond Administrative Expenses	<u>23,000</u>
TOTAL - INDUSTRIAL DEVELOPMENT AUTHORITY	\$7,330,913

\*This represents the principal and interest owed by the State of Maryland to the IDA as provided in the lease agreement between the State and the IDA.

## FINANCIAL DESCRIPTION

In addition to the County's contribution of \$23,000 for bond-related administrative expenses associated with the management of the IDA (included in the Grants and Transfers section of Non-Departmental), the County has provided \$6,274,600 in debt service payments for the Prince George's County Justice Center and Expansion (included in the Debt Service section of Non-Departmental), and for the Duvall Building, both located in Upper Marlboro. The State pays a portion of debt service on the Justice Center and expansion submitted at \$1.5 million annually.

The County has entered into a lease with the State to recover costs associated with maintenance and operations of the space occupied by State offices. That reimbursement is shown as a project recovery in the section entitled "Other Non-Departmental Expenses" included in the Non-Departmental section of this document.

## THE WASHINGTON SUBURBAN TRANSIT COMMISSION

The Washington Suburban Transit Commission (WSTC) is a bi-county agency that provides planning and oversight for mass transit services in Montgomery and Prince George's counties. The seven-member commission is composed of two representatives from each county, two members appointed by the Governor of Maryland, and the Maryland Secretary of Transportation, or his or her designee.

The WSTC has the legal authority to levy a property tax in each county to support mass transit services, as well as associated debt service and administrative costs. For Prince George's County this tax levy, combined with State and Federal aid, fares, and other revenues, funds a variety of regional transit services, local bus service and para-transit service. (Para-transit service includes the County's special services for senior and disabled citizens.) Regional rail and bus services are provided by the Washington Metropolitan Area Transit Authority (WMATA). Local bus service and para-transit service are provided through the Prince George's County Department of Public Works and Transportation and by private companies. Because mass transit is capital intensive, debt service costs also make up a substantial share of WSTC-related costs.

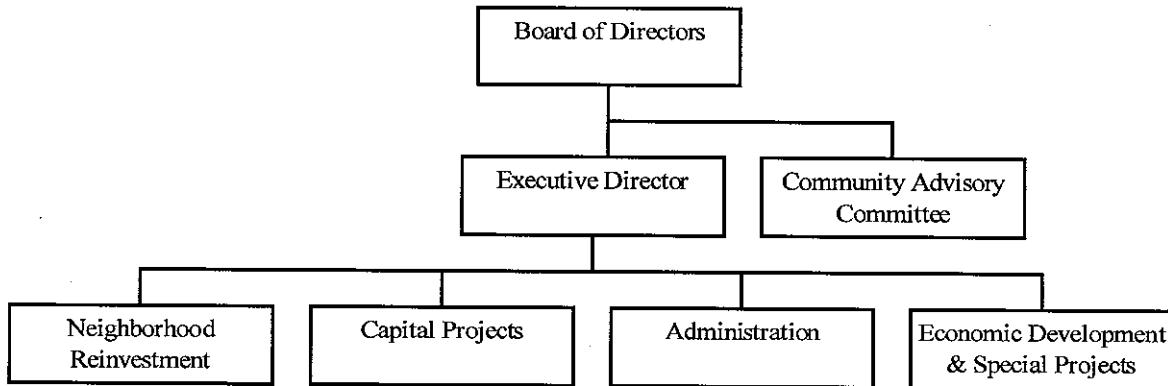
The WSTC tax rate for FY2004 is \$.026 per \$100 of assessed value for real property and \$.065 per \$100 of assessed value for personal property. The tax rate has been altered based on the provisions of Maryland Senate Bill 626-2000 that provides that the real property tax rates be applied to 100% instead of 40% of the value of real property. The tax rate for real property was adjusted downward to ensure revenue neutrality. The personal property tax rate, since it was already based on 100% of the value of personal property, remains at the same rate as was in place previously.

## REDEVELOPMENT AUTHORITY

### MISSION

The mission of the Redevelopment Authority of Prince George's County is to contribute to the creation of a diverse and vibrant economy and living environment for the residents of Prince George's County using community building techniques and providing responsible and responsive development and redevelopment designed to enhance quality of life and create sustainable communities.

### ORGANIZATION CHART



### AUTHORITY DESCRIPTION

The Redevelopment Authority (RA) is governed by a Board of Directors that establishes broad policies and operating parameters for the organization. The Board of Directors also provides overall policy direction of the organization and approves recommendations for all programs and real estate development or redevelopment activities prior to submitting program requests to the County Executive. In addition, a nine member Community Advisory Committee, consisting of a representative from each of the County's Councilmanic districts, assists and advises the Board of Directors in the development and implementation of outreach efforts within communities where redevelopment is needed.

Staffing for the RA is budgeted in the Department of Housing & Community Development, Office of the Director, and the Maryland-National Capital Park & Planning Commission, Neighborhood Redevelopment Division. The Executive Director and Associate Director, both official staff of the Department of Housing and Community Development, provide management and leadership to the RA staff. Other expert and special assistance is obtained through independent and consultant contractual arrangements.

### ***FY2003 HIGHLIGHTS***

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#### **Capital Projects**

- *Suitland Manor*

The Suitland Manor project involves the acquisition of 33 acres of land and requires the purchase of 163 four-unit apartment buildings, an eighteen-unit townhouse complex (Valley Pine) and 13 commercial properties. The Authority has acquired 77 buildings and relocated 26 households, not including the Shadyside site, at a cost of over \$8.1 million.

- *Suitland Manor - Shadyside Elementary School*

Acquired 23 of the 24 four-unit residential properties at a cost of over \$2.0 million. One remaining property must be acquired prior to project completion. After all properties are acquired, ownership will be transferred to the Board of Education. The Board's plans for the property include demolishing the current Shadyside Elementary School and constructing a new school-Homer Avenue Elementary School – with a seating capacity of over 250 seats more than the current school.

- *Gateway Arts District Project-Mount Rainer Artist Housing*

Three buildings have been acquired at a cost of \$1.3 million toward the creation of 44 live/work apartments for low-income artists and over 14,000 square feet of new commercial space. Low Income Housing Tax Credits from the Maryland Department of Housing & Community Development was secured in the amount of approximately \$10 million. Construction specifications and plans are 30% complete. Upon completion, the subdivision plat will be submitted to the Maryland-National Capital Park and Planning Commission (M-NCPPC) for review and approval. Ground breaking is scheduled for July 2003.

- *Palmer Park Senior Village*

The redevelopment of Palmer Park Senior Village is a public-private partnership with Victory Housing, Inc. Victory Housing, Inc. has secured funding from the US Department of Housing and Urban Development (HUD) for the construction of a 69-unit senior citizen housing facility and has begun predevelopment work. Nine condominium units were acquired and households relocated at a cost of \$896,400. The housing construction and shopping center renovations will commence during FY2003.

### **Economic Development**

- *Commercial Building Loan Fund (CBLF)*

The Authority has successfully disbursed 20% of the available \$10 million for this business construction gap financing program. One loan has been made to Bowie Honda for \$2 million. One loan pending County Executive approval, to the Duclaw Brewery Company of Bowie, Maryland is also for \$2 million.

- *Commercial Area Revitalization Effort (CARE)*

Completed Kentland Shopping Center facade rehabilitation in the Landover CARE area at a cost of \$116,500. Additional shopping center and facade rehabilitation is occurring in the Port of Bladensburg Shopping Center.

- *US Route One Corridor*

Route One funding has been allocated for fourteen different projects in communities along the US Route One Corridor. The activities identified for funding include planning, developing pedestrian and bicycle trails, and streetscaping. Some of the recipients include the City of College Park, City of Laurel, City of Mount Rainier, City of Greenbelt, Anacostia Trail Heritage Association, and Bladensburg-Prince George's Community Development Corporation-Port Towns Community Development Corporation. This program is funded by a Special Congressional appropriation.

## **Neighborhood Reinvestment**

- *International Corridor Community Legacy Planning*

The Authority won a \$100,000 Maryland Community Legacy planning grant to identify and implement strategies that will improve the residential, business, and social service sectors of the area along the University Boulevard corridor in the vicinity of Langley Park. The resulting Community Legacy Plan will be an action-oriented strategic plan.

- *Neighborhood Improvement Grants*

The Authority successfully awarded 15 grants, in the amount of \$387,900 over the past three years. This program will continue at current funding levels. Active program participants include Alice Ferguson Foundation, Anacostia Watershed Society, Berwyn Heights Playground, Gateway Municipalities Community Development Corporation (Gateway project CDC), Housing Initiative Partnership, Inc., Knights of St. John, Melwood Horticultural Training Center, Inc., Mount Victory Baptist Church, World Arts Focus, Inc., Greenbelt Homes, Inc. (GHI), Global Development Services for Youth, Inc., and the Fraternal Order of Police (FOP) Lodge #119.

## **Special Projects**

- *Dollar Homes and Asset Control Area Programs*

Acquired and renovated nine HUD-owned single family properties in Suitland; four are under contract and expected to be sold and five will be renovated and sold.

- *Anacostia Trails Heritage Area (ATHA)*

ATHA is part of a State program encouraging economic development thorough heritage tourism. Funding in the amount of \$200,000 was secured from the Maryland Department of Housing and Community Development.

## **FY2004 OVERVIEW**

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In FY2004, the Authority will establish and encourage partnerships and agreement with one or more developers to continue the overall redevelopment of Suitland Manor, including, but not limited to, the acquisition, relocation, and demolition of existing properties. Work with the Suitland Civic Association and the Police Department to prepare a Weed and Seed application for designation as a Hotspot.

The Authority will create and implement an overall property management program with Victory Housing, Inc. for both senior housing and the business/commercial portions of Palmer Park Senior Village and Palmer Park Shopping Center. Plans are being developed to have reconstruction efforts and housing construction in progress simultaneously. The Palmer Park Holding Company will be created in order to compete for funds from additional sources.

Projected cost for the African American Museum in the Gateway Arts District is estimated at \$20 million. The Authority will continue to work with Community Development Corporations (CDC) and the Town of North Brentwood to secure funds for the African American Museum in the Gateway Area District.

In addition, emphasis will be placed on economic development and entrepreneurship through the use of the Commercial Building Loan Fund (CBLF). Approximately \$6 million remain in the program. An extension request has been submitted to HUD.

**Redevelopment Authority of Prince George's County  
FY 2004 Proposed Budget**

	<b>FY 2004 Proposed</b>
<b>Beginning Balance</b>	<b>\$554,149</b>
<b><u>Revenue</u></b>	
County Grant	\$229,100
HUD Grant	\$150,000
Interest from Loans	\$175,000
Other Revenue	\$250,000
Appropriated Fund Balance	\$0
<b>Total Revenue</b>	<b>\$1,358,249</b>
<b><u>Expenses</u></b>	
<b>Board Expenses</b>	
Bd Member Stipends	\$23,100
Board Meeting Expenses	\$3,000
Board Member Dev	\$10,000
<b>Total Board Expenses</b>	<b>\$36,100</b>
<b>Operating Expenses</b>	
Salary/Fringe	\$0
Professional Services	\$100,000
Supplies/Expenses	\$130,000
Contractual Services	\$160,000
Program Implementation	\$150,000
Project Management Services	\$352,920
<b>Total Operating Expenses</b>	<b>\$892,920</b>
<b>Total Expenses</b>	<b>\$929,020</b>
<b>Ending Balance</b>	<b>\$429,229</b>

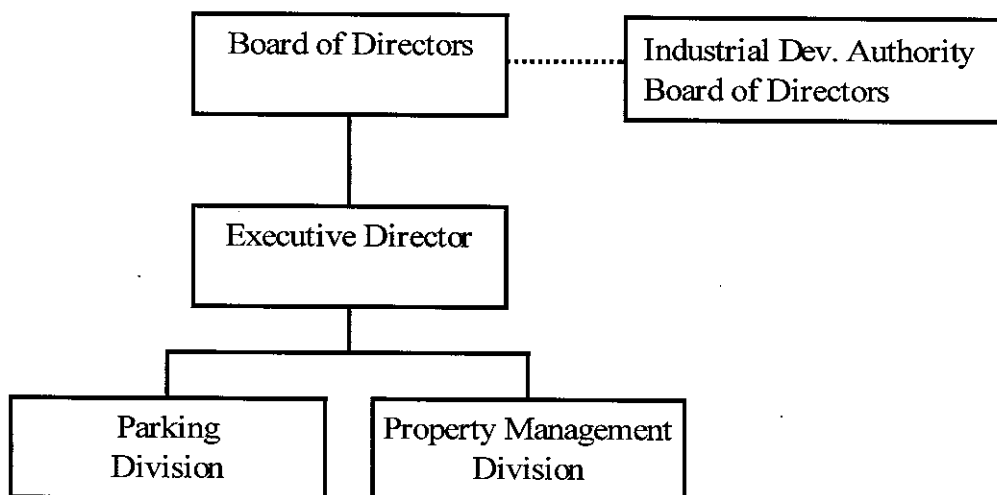
## REVENUE AUTHORITY

### AUTHORITY DESCRIPTION

The Revenue Authority of Prince George's County was established by Council Resolution 61-1998. The Authority's purpose is to exercise its power for projects in Prince George's County that are devoted wholly or partially for public uses, the public good or general welfare and to stimulate employment or economic growth in the County. The Authority consists of five public members that are nominated by the County Executive and confirmed by the County Council and two *ex officio* members. Each of the public members serve terms of four years but remain in the Authority until a successor can be approved. The Authority appoints an Executive Director, Secretary-Treasurer and General Counsel with the consent of the County Executive. The Authority may also appoint other positions as deemed necessary.

Pursuant to Council Bill 79-2001, title to all property, obligations and assets held by the Parking Authority of Prince George's County was transferred to the Revenue Authority in FY2002.

### ORGANIZATION CHART



### FY2004 OVERVIEW

The Authority will operate several parking facilities on behalf of the County: the New Carrollton AMTRAK-METRO Parking Garage, New Carrollton East Lot (Interim AMTRAK), and five fringe commuter parking lots (in Bowie, Clinton, Fort Washington, Laurel and Oxon Hill). In addition, the Authority manages all of the County's on and off street parking meters. All facilities and their operations are covered by various agreements between the Revenue Authority and the County, the Washington Metropolitan Area Transit Authority (WMATA), and the Maryland State Highway Administration (SHA).

The Authority also manages by separate agreements the Hyattsville Justice Center Garage, the public parking areas of the Upper Marlboro Justice Center garage and lot, the visitor parking for the County Detention Center, and the parking meter service and repair program for the City of Mt. Rainier. Finally, the Authority is working with public and private entities to develop the Capital Centre complex into a regional shopping center.

The Authority will continue to enforce parking regulations for all facilities owned, leased or operated by the Authority, as well as METRO station parking lots and garages in unincorporated areas of the County. The Authority manages and processes all parking tickets issued by County Police, Fire, Sheriff and Detention Center Officers, METRO Police and Authority Officers. The Authority collects all parking fines and disburses revenues to the County's General Fund.

**REVENUE**

Facilities Operating Income	\$4,542,100
Interest Income	30,000
Use of Fund Balance	0
	<hr/>
<b>TOTAL REVENUE</b>	<b>\$4,572,100</b>

**OPERATING EXPENSES**

Facilities Operating Expense	\$2,239,300
Reserve for Maintenance	585,500
	<hr/>
<b><i>SUBTOTAL - OPERATING EXPENSES</i></b>	<b>\$2,824,800</b>

**ADMINISTRATIVE EXPENSES**

Net Compensation and Benefits	\$405,500
Operating Supplies and Expenses	591,800
Capital Outlay	0
Fund Balance Contribution	0
	<hr/>
<b><i>SUBTOTAL - ADMINISTRATIVE EXPENSES</i></b>	<b>\$997,300</b>

**OTHER EXPENSES**

Payments to County	<hr/>
	\$750,000
	<hr/>
<b>TOTAL EXPENSES</b>	<b>\$4,572,100</b>

December 30, 2002

The Honorable Jack Johnson, County Executive  
The Honorable Peter A. Shapiro, Chair, County Council

In accordance with Subtitle 10, Division 1A of the County Code, the Spending Affordability Committee has reviewed the preliminary projections of the County's General Fund revenue (Actual FY2002 to Projected FY2004) along with the General Fund balance and makes the following preliminary revenue recommendations for FY2004: (Nearest Million \$)

	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>	<b>FY2004</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Preliminary</u></b>	<b><u>Preliminary</u></b>
			<b><u>Estimate</u></b>	<b><u>Projection</u></b>
<b>TAXES:</b>				
Property	414.8	427.6	443.3	455.5
Income	319.0	326.7	339.8	339.7
Transfer/Recordation	74.2	80.1	83.0	80.5
Energy	43.5	42.9	43.4	43.7
Other Local Taxes	17.5	18.3	45.0	48.5
State-Shared	25.0	24.7	23.9	24.2
<b>Subtotal Taxes</b>	<b>894.0</b>	<b>920.2</b>	<b>978.4</b>	<b>992.1</b>
<b>Licenses and Permits</b>	<b>14.3</b>	<b>16.4</b>	<b>16.0</b>	<b>16.3</b>
<b>Use of Money and Property</b>	<b>23.3</b>	<b>16.7</b>	<b>10.0</b>	<b>11.3</b>
<b>Charges for Services</b>	<b>18.4</b>	<b>22.2</b>	<b>20.2</b>	<b>21.6</b>
<b>Intergovernmental</b>	<b>34.3</b>	<b>34.6</b>	<b>34.1</b>	<b>34.7</b>
<b>Miscellaneous</b>	<b>3.0</b>	<b>2.5</b>	<b>2.6</b>	<b>2.7</b>
<b>Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>19.0</b>	<b>4.0</b>
<b>Subtotal Other Sources</b>	<b>93.2</b>	<b>92.4</b>	<b>101.8</b>	<b>90.7</b>
<b>SUBTOTAL COUNTY SOURCES</b>	<b>987.2</b>	<b>1,012.6</b>	<b>1,080.2</b>	<b>1,082.8</b>
<b>SUBTOTAL COUNTY SOURCES</b>				
<b>W/O USE OF FUND BALANCE</b>	<b>987.2</b>	<b>1,012.6</b>	<b>1,065.2</b>	<b>1,082.8</b>
<b>OUTSIDE AID</b>				
Board of Education	492.4	545.9	607.4	649.1
Community College	40.3	44.4	47.4	50.4
Library	6.2	6.0	6.4	6.6
<b>SUBTOTAL OUTSIDE</b>	<b>538.9</b>	<b>596.4</b>	<b>661.2</b>	<b>706.1</b>
<b>GRAND TOTAL</b>	<b>1,526.2</b>	<b>1,609.0</b>	<b>1,741.4</b>	<b>1,788.9</b>

(Note: Figures may not add due to rounding.)

## **BACKGROUND INFORMATION**

### **Spending Affordability Committee**

The Spending Affordability Committee was created in 1997 pursuant to County legislation and is codified in the County Code Sec.10-112.21. According to the Code, the Committee shall provide advisory recommendations to the County Executive and the County Council on spending affordability, ways to improve the County's budgetary procedures and policies, and other related areas upon request of the County Executive or County Council by resolution. On or before October 1 of each year, the committee shall submit to the County Executive and the County Council a preliminary report recommending County spending levels for the next fiscal year consistent with the capacity of the tax base and revenue sources of the County. On or before January 1 of each year, the committee shall submit a final report on spending guidelines. In developing the proposed operating budget, the County Executive shall consider the recommendations contained in the Committee's final report. If the proposed budget exceeds any of the recommended affordability guidelines, the Executive must justify exceeding the recommendations. This process is designed to provide a non-political and independent analysis of the factors that affect Prince George's County's revenue sources and budget.

### **County General Fund Revenue Structure**

County General Fund Revenue consists of two parts: County Source Revenues and Outside Aid. Currently, county source revenues constitute approximately 60% of total General Fund revenue while outside aid contributes 40%. County source revenues include taxes, fees and other sources of funds. County source revenues directly affect the resources available to county government agencies and the county's contribution to the Board of Education, Community College and Library. Outside aid includes dedicated State, Federal and other aid to the Board of Education, Community College and Library. The County government has no control over outside aid and outside aid can not be reallocated to other County agencies.

## **REVENUE ASSUMPTIONS**

### **Property Tax**

The property tax remains the largest county source revenue for the County government. In FY2004, County real property tax rate is expected to remain unchanged at \$0.96/\$100 assessed value. Owners of real property (land and improvements) are subject to real property tax. Assessed value is at 100% of market value. The County is subject to the Tax Reform Initiative by Marylanders (TRIM). This charter provision initially limited property taxes to a fixed dollar amount and later was amended to a ceiling of \$0.96 on the County real property tax rate. There is also a mandatory real property tax credit - the Homestead Tax Credit. In FY2004, the Homestead Property Tax credit will be adjusted to 101% from 103% (the percentage in place during FY2003). This is due to the structure of the County's Homestead Tax Credit, which caps the growth of owner-occupied assessment at the Consumer Price Index increase rate (rounded to the nearest whole percentage). For the twelve-month period ending June 2002, the index increased by only 1.1%. As a result, homeowners' real property assessment growth, which is

phased in over a three-year period, will be capped at 1% for FY2004. In other words, even as real property assessment continues to grow due to new construction and higher reassessment, County real property tax revenue capacity can not be fully realized. In FY2004, total real property tax revenue is projected to grow by \$12.3 million from FY2003 estimated level. The County's Homestead Tax Credit is expected to cause a revenue loss of over \$9 million in FY2004, according to latest estimates by the State Department of Assessment and Taxation.

County personal property tax rate is expected to remain unchanged at \$2.40/\$100 assessed value. Personal property includes such items as business furniture, fixtures and equipment, commercial or manufacturing inventory, and manufacturing machinery. Personal property tax revenue growth is expected to be relatively flat in FY2004. The State Department of Assessment and Taxation noted recently that utility property base in the County is projected to continue a downward trend, due to the huge impact of the economic downturn on the utility industry. Commercial property base, however, is likely to maintain some growth, assuming a gradual recovery of the economy.

### **Income Tax**

County personal income tax is collected by the State Comptroller's Office and remitted to the County on a regular basis. County income tax rate is projected to remain unchanged at 3.10% of Maryland personal income for FY2004. County income tax receipts, exclusive of the State Income Tax Disparity Grant, are projected to grow by 2.7% in FY2004, following an estimated 1.6% growth in FY2003. Income tax revenue in the County has been affected by slower job growth and to a lesser degree, by lower stock prices during the nation's economic downturn. Capital gains suffered a significant drop in calendar year 2001 and will decrease again in all probability in 2002. Wage-related income tax also grew at a slower pace. As a result, County income tax revenue (excluding State income disparity grant) increased by only 1.8% in FY2002. This growth rate was higher than that of most other large Maryland counties, thanks to a relatively small share of state-wide capital gains and a comparatively high level of federal employment in the County. Income tax revenue is projected to maintain a slow growth rate in FY2003 due to the effect of a weak economic recovery. For FY2004 we are cautiously optimistic that the economic recovery will have gained momentum by then. Therefore, we are projecting that income tax revenue will grow at a faster pace in FY2004. No assumed changes to the Federal Tax base (passed through to the State Income Tax calculations) have been included. Job growth in the County this year has started to recover from the decrease at the end of last year, but remains slow. The unemployment rate in the County continues to be relatively high (at 4.5% in October).

In addition, the County is expected to continue to receive an Income Tax Disparity Grant from the State in FY2004, because the County has again fallen below 75% of the State's average per capita income tax in calendar year 2001. However, State reports indicate that the Disparity Grant to the County will decrease from \$14.7 million in FY2003 to \$5.9 million in FY2004, because the per capita income tax gap between the County and the State's average is narrowing. This is the result of lower tax collections (stemming from reduced capital gains) in the larger counties such as Montgomery and Howard.

## **Transfer and Recordation Tax**

County transfer tax is a local levy on real property transactions. The local tax rate in the County is 1.4% of each property transaction's total value (in addition to the State's 0.5% transfer tax rate). Recordation tax is imposed upon title transfer on real or personal property. The recordation tax rate in the County is \$2.20 per \$500 of the value of the transaction being recorded, or 0.44%.

Transfer and recordation taxes are affected by both home sales and commercial property sales. Home prices in the County have experienced a double-digit growth year to date, reflecting a hot real estate market regionally. Refinancing also boomed due to the historically low mortgage rates. As a result, transfer and recordation taxes experienced another strong growth of 7.9% in FY2002, following a 13% growth in FY2001. Transfer and recordation tax revenues are projected to maintain a growth in FY2003 when low interest rates continue to stimulate the housing market. But this revenue is projected to lose part of its momentum in FY2004, due to potential interest rate increases and supply constraints. Among the County's key revenue sources, transfer and recordation tax revenue remain the most volatile. Transfer tax is a dedicated revenue source for the Board of Education.

## **Energy Tax**

The energy tax rate will remain at its current level of 7.5%. Energy tax revenue is expected to keep its slow growth pattern in FY2004. Energy tax revenue is dedicated to Board of Education.

## **Other Local Taxes**

The telecommunications tax is a new revenue source for the County and is also a dedicated revenue source for the Board of Education. The State has mandated that the County impose and collect a sales and use tax on telecommunications service (including both land line and wireless telecommunications) starting from FY2003, pursuant to House Bill 949 enacted during the 2002 Session of the Maryland General Assembly. As required by the State, the net proceeds of the revenue from the tax can only be used for operating expenditures of the County's school system. The County Council enacted companion legislation (CB-37-2002) setting the tax rate at eight percent (8.0%) on the gross receipts for telecommunications service in the County. An administrative fee of one percent of collections remitted to the County will be shared equally between vendors and the County to cover the cost of collecting and remitting the tax and administering the collection of the tax. The tax applies to telecommunications bills issued on or after August 1, 2002. Telecommunications Tax revenue is budgeted at \$19.1 million in FY2003 (based on 11 months of collection). Actual revenue is likely to be higher, based on the latest data on revenue collections. However, with limited empirical data on tax collections from this tax base so far and potential changes in State laws regarding exemptions, there are uncertainties about the outcome of this revenue.

Admission and Amusement Tax is a tax imposed on the gross receipts derived from the charge for admission to performances; the use or rental of sporting or recreational facilities; the

merchandise, refreshments, or services sold in connection with entertainment; and use of a game of entertainment. This revenue is projected to grow in FY2004, following a flat year in FY2003 due to the impact of a weak economy. The primary sources of this revenue are athletic events and amusement parks.

### **Interest Income**

Interest income is the largest component of the category Use of Money and Property, and it is projected to grow by 15% in FY2004. This assumes that the Federal Reserve Board will increase interest rates in FY2004 in tandem with an assumed expanding economy. Interest income suffered a major reduction of approximately 43% in FY2002 due to the series of interest rate cuts carried out in 2001. Investment income is projected to experience another decrease in FY2003, because the Federal Reserve reduced the federal funds rate again to 1.25% at its meeting on November 6. Interest income is a large part of the County's Other Sources of revenue.

### **State-Shared Taxes**

The State's estimation indicates that Highway User Revenue is likely to grow slowly in FY2004 (assuming no State move to cut its aid to local jurisdictions). Highway user revenue is the largest portion of State-shared taxes. With a very large State deficit looming for FY2004, the County could well see reductions in State aid as the State attempts to balance its own budget. This situation occurred in FY1992 and FY1993 and resulted in a loss of close to \$41.5 million in State aid. This included the requirement on counties to assume social security payments on behalf of local education, college and library employees (\$21.3 million), loss of State property tax revenues shared with counties (\$12.5 million) and the elimination of other state-shared tax revenues from sources such as cigarette and alcohol sales.

### **Board of Education Aid**

In addition to \$518.7 million in revenue provided by the County from the County's own source revenue, the Board of Education is expected to receive outside aid of \$649.1 million in FY2004, a growth of 6.9% in outside aid. This growth prediction assumes the continued implementation by the State in FY2004 of the Thornton Commission recommendations. The Commission on Education Finance, Equity and Excellence, chaired by former Prince George's County School Board Chairman Dr. Alvin Thornton, was established to review current education financing formulas and accountability measures and make recommendations for ensuring funding adequacy and equity for public school system throughout the State. The Commission recommended increases in funding for core aid levels (Current Expense Aid, Transportation Aid, Handicapped Aid, Compensatory Aid, Limited English Proficiency Aid) and decreases or elimination of many targeted aid categories, such as Magnet Aid and the Governor's Teacher Salary Challenge. The General Assembly did not fully implement the Commission recommendations in FY2003. It did, however, provide a transitional funding increase in FY2003 and pledged funding along the lines recommended by the Commission for FY2004. Beyond this, no new or enhanced revenue sources are assumed in FY2004.

## **Community College Aid**

Community College outside revenue is projected to grow by 6.3% in FY2004. Growth in State Aid for all colleges in FY2003 was offset by a temporary decline in the level of State aid per FTE student for State four-year universities (State aid to community colleges was pegged at 25% of that FTE student aid level. It declined in FY2003 to 23%). The State has planned to gradually increase the FTE student aid level back to 25% by FY2007. To counteract the effect of the State aid recalculation in FY2003, the College increased tuition and fees by \$5 per credit hour. No further tuition increases are assumed in FY2004, provided the State aid per FTE FY2004 increase occurs as expected. There is, however, a risk that the automatic increase based on the percentage level of State aid per FTE student will be delayed as part of a comprehensive State strategy to balance its budget in FY2004. This will result in less revenue for the Community College.

## **Library Aid**

In addition to \$13.8 million in revenue provided by the County, the Library will receive \$6.4 million in outside aid in FY2003. Fines, fees and other revenue generated by the Library system account for approximately \$1.2 million. The remaining \$5.2 million is provided by the State based on a formula that measures estimated County populations and the relative wealth of counties. Based in part on this formula, Library revenue is projected to increase by 3.2% in FY2004. No major increase in State aid or other revenues such as fines and film fees generated by the Library system is expected.

## **Other Revenue Issues**

Of the County source revenues, some are dedicated revenues for the Board of Education and can not be used for other functions of the County Government. They include: Energy Tax, Transfer Tax, and Telecommunications Tax. Added together, these dedicated revenues for the Board are equivalent to revenues collected from a real property tax rate of approximately 33 cents per \$100 of assessable value in FY2004. In addition, there are various limitations on revenue enhancement capabilities in the County. Existing limitations or caps include TRIM (Charter-mandated County real property tax rate cap of 0.96%), Homestead Tax Credit (Charter-mandated assessment growth cap for owner-occupied real property), and Question I (Charter referendum which requires that any tax raise be approved by voters).

Another issue worth noting is that the FY2004 revenue projection here does not assume any reduction of State aid to the County. However, experience shows that during the last recession in early 1990's, the State cut its funding to the County because the State's own budget was tight. A recent report of the State projects a \$1.8 billion potential State budget deficit in FY2004. Unfortunately, State decisions on this issue are not likely to be available until well into the 2003 State Legislative Session. The County needs to keep a close watch on the State's actions and be prepared for a potential cut of State aid in FY2004.

## EXPENDITURE RECOMMENDATIONS

The Committee recommends an overall spending ceiling of \$1.789 billion in FY2004, or an increase of \$63.2 million above the FY2003 budget. The following are spending ceilings as defined by Sec. 10-112.21 of the County Code:

**Board of Education:** \$1,167.8 million (growth of \$63.4 million, or 5.7%). Most of this growth is from non-local funds (\$41.7 million); the remaining growth is from local County revenue sources (\$21.7 million). The Board of Education receives over 44% of its support from County-Source revenues. From FY1999 to FY2004, County source revenues to the Board increased from \$421.7 million to an anticipated \$518.7 million in FY2004, an increase of approximately 23%.

While the County is responsible for providing funding to its Board of Education with State-mandated increases regardless of the County's own financial situation, the County has very limited legal authority to hold the Board of Education accountable for the way in which these funds are spent. In other words, the County has little authority to monitor the Board's performance or financial management within the current State legal mechanism.

The Board of Education ended FY2002 having expended \$13 million above available revenue levels. The Board has developed a strategy to deliberately under-expend in discretionary areas in FY2003 to attempt to eradicate this deficit. However, even with this effort, the Board estimates that they still face a deficit of \$4.2 million and has requested the County to provide a \$4.2 million supplemental appropriation to help close its gap.

**Debt Service:** \$70.4 million (growth of \$2.5 million, or 3.7%). All of this growth would come from local County revenues. The County plans to issue approximately \$90 million of General Obligation bonds next Spring, primarily for school construction and public works projects. In FY2002, the County refinanced approximately \$80 million of callable bonds in order to take advantage of the historically low interest rates, and also used the opportunity to restructure the debt in order to smooth the curve of future debt service payment.

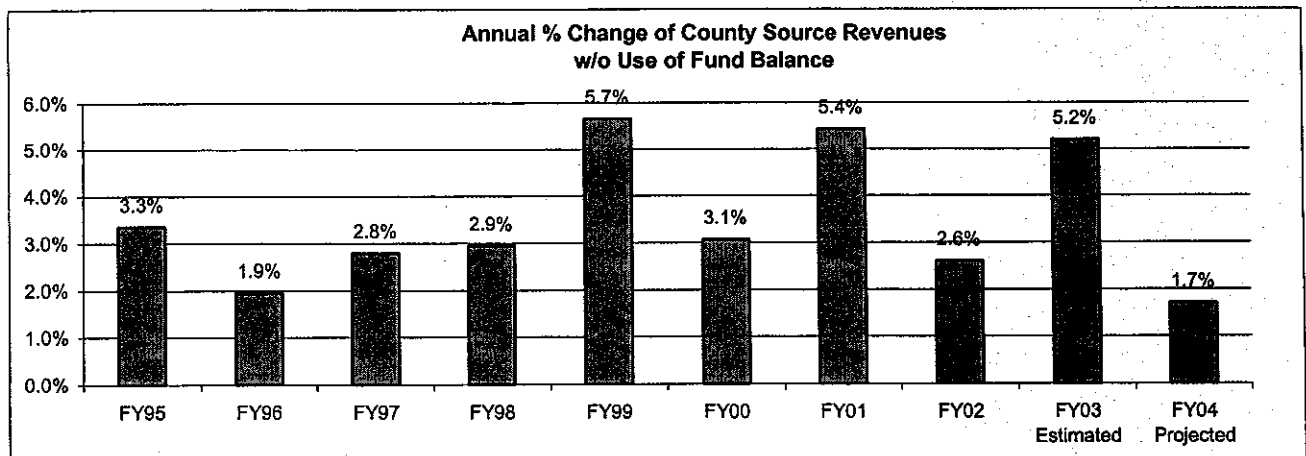
**All Other:** \$550.7 million (decrease of \$2.7 million, or -0.5%). This spending category includes all General Fund support for County services and operations except for debt service and payments to the Board of Education listed in the preceding paragraphs. All funding to support these expenditures would come from local County revenues.

A preliminary study by OMB suggests that after making State-mandated County contributions to the Board of Education, Community College and Library, the County is projected to face a potential decrease of its internal government budget in FY2004 compared to FY2003. The situation reflects a fundamental problem for the County. That is, as the County continues to be subject to tax caps such as TRIM and Homestead Tax Credit, and as the majority of the revenue growth continues to be dedicated to Board of Education, revenue sources available for the County's own operations will continue to be limited and may even experience a decrease in future years. This is a critical issue for the future of County government.

At the same time that revenues available to the County may decrease, expenditure pressures are increasing. For example, pension costs continue to escalate due to growing unfunded actuarial accrued liability, which is attributed to unfavorable investment returns and an aging workforce. As a result, it is necessary to increase employer contributions significantly in order to maintain funding ratios at acceptable levels. Health insurance is also experiencing double-digit growth, particularly for prescription coverage. Moreover, risk management cost is increasing mainly due to workers compensation settlements. Average workers' compensation settlement cost increased by 60% over the prior two years.

## FISCAL CONDITIONS

The County's total General Fund revenue sources are projected to reach \$1,741.4 million in FY2003 and \$1,788.9 million in FY2004. In FY2003, County source revenue without use of fund balance is estimated to grow by 5.2%, of which about half is attributed to the introduction of the Telecommunications Tax. (This new tax is mandated by the State and the net proceeds shall all be used by the Board of Education.) In FY2004, county source revenue without use of fund balance is projected to increase by 1.7%. The growth rates for both years (excluding Telecommunications Tax in FY2003) are projected to be lower than historical averages due to the impact of an expected weak economic recovery. Interest income and income tax, in particular, are likely to continue to show a weak performance in FY2003, while property tax is projected to maintain relatively strong growth. In addition, there are political, economic, and continued market risks inherent in the FY2003 and FY2004 estimates.



*Note: the FY03 annual percentage growth includes one-time growth resulting from the new Telecommunications Tax.*

The County's General Fund Balance is projected to reach approximately \$128 million in FY2004, or 7 % of projected revenue, largely unchanged from the estimated level of FY2003. This will include around \$89 million of Charter-mandated Contingency Reserve (5% of budget as stipulated by the 2002 Charter referendum). Comparatively, in FY1995, the County had only \$39.1 million of fund reserve, or 3.4% of revenue. Over the past eight fiscal years, the County has maintained a conservative fiscal policy, keeping on-going expenditures within on-going revenues, and has gradually built up a fund reserve. The County has been cautious in using fund

balance, limiting the usage of fund balance mostly to one-time and non-recurring expenditure and dedicating the one-time expenditure to priorities such as one-time school outlays for computers and books. This practice is essential to the County's fiscal health given its revenue growth limitations. It is also in line with good fiscal management practices recommended by the bond rating agencies and Government Finance Officers Association (GFOA). Currently, Prince George's is close to the average of large Maryland counties in term of fund reserve as a percentage of General Fund budget.

## **RECOMMENDATIONS**

The County has maintained a conservative fiscal policy and grown its financial reserves by balancing on-going expenditures to recurring revenues and limiting the use of one-time resources such as fund balance to one-time expenditures. This policy should be continued in the future.

The County has recalled debt and refinanced at lower rates and restructured as a matter of policy. We recommend that this policy be continued.

The County should explore all avenues to improve the fiscal accountability of the Board of Education. One option is to include the Board of Education in the Spending Affordability legislation. This would require State enabling legislation. The authority to monitor the financial performance of the Board would require the same. Giving the Board of Education its own taxing authority would require both State enabling and a change in the County Charter. A sharing of common administrative services between the County and the Board would undoubtedly result in savings from economies of scale. Working with the County's State delegation in all of these matters is a must.

The County Budget document should each year include a chart showing major costs that have been added and their future dollar impact on the Budget. Examples of these costs would include such items as negotiated collective bargaining agreements and mandated expenditures resulting from changes in State law.

## **SUMMARY**

The Committee wishes to thank both the Executive and Legislative Branches of government for the opportunity to review the County's revenue forecast and expenditure recommendations. We have had several official meetings with County staff. The Committee utilized the County's financial reports, State of Maryland tax data and information from budget offices of other counties. We believe that we have performed due diligence in reviewing revenue and expenditure estimates for FY2003 and FY2004 and believe them to be reasonable.

Respectfully,

Janet Everette

Tanya Curtis

Norman Carter

Barbara K. Atrostic

Janet Everette  
Tanya L. Curtis  
Norman D. Carter III  
Barbara K. Atrostic